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The Nation's Business

Ottawa Sees Light on E. M. B.
Textile Industries Ask Chance to Live
Tariff Changes Likely at Session
Tariff Board Results

WHEN The Financial Post made it known that the Canadian government had again declined to cooperate with the Empire Marketing Board in a display of Empire products at the British Industries Fair in February, a wave of protest swept through the Canadian press. Explanations of the aloofness of the Canadian government were sought. Now the government has changed its mind and will take part in the exhibit. Hon. James Malcolm is credited with having forced the issue.

It is to be hoped that this step will be followed by complete and continuous co-operation with such a fine agency for promoting the sale of Canadian products in Britain. And again it may be repeated that the British tax-payer is putting up the money to make the work of the Empire Marketing Board possible, contributing $5,000,000 a year as recompense for the failure of the preferential tariffs to go through.

* * *

THE cabinet is understood to be divided on the question of further participation in the Empire Marketing Board work but the fact that it was Mr. Malcolm who forced the change of attitude in regard to the British Industries Fair lends some color to the hope that a second suggestion of The Financial Post is also to be adopted. This is that the minister of trade and commerce should be given control of all propaganda and publicity work in connection with the sale of Canadian products in Britain. Canada's representative on the Empire Marketing Board should be designated by Mr. Malcolm and should take his orders from Mr. Malcolm.

* * *

TEXTILE interests in Canada expect that the next Dominion budget will deal in some manner with the textile schedule of the tariff. The tariff board has been hearing cases for eighteen months, but so far no report has been made public and no action has been taken. The budget was brought down unusually early last winter and Mr. Robb, the minister of finance, announced that the tariff board had not been functioning long enough for any material progress to have been effected. For this reason, said the minister of finance, no changes would be made at the current session, although he admitted that reports on a number of cases had been received by the cabinet from the tariff board.

Certain other interests agree with the textile interests that the tariff board's recommendations will have to be dealt with in some manner if the much-wanted institution is not to lapse into a condition of innocuous desuetude. The textile industry believes that its needs will be dealt with first because its case was heard first. The industry believes that there will be some upward revision of the tariff, at least with respect to importations from countries where wages are lower than in Canada, because it has been shown conclusively that the domestic manufacturers hold only 30 per cent. of the domestic market for textiles.

* * *

OVER recent years, the earnings of even the most successful of the textile companies have not proportionately reflected the substantial business expansion which has taken place in the Dominion, and many of these companies have experienced declining profits despite the all round betterment in business over the past two years. The financial position of the woollen textile companies is so well known that it requires no comment here. The woollen industry is in the doldrums and has been so for many years. But the position of the textile industry as a whole, receives scant attention from those who are desirous that the already meagre protection afforded the industry be reduced.

The textile industry provides employment for hundreds of thousands of Canadians. In addition, it provides a productive outlet for the energy of many operatives who, particularly in the Province of Quebec add to the annual production of the Dominion in the degree to which they find steady employment. The woollen textile industry uses as a raw material wool grown by Canadian farmers. In fact, the decline in the textile industry has been accompanied by a decline in sheep-raising in Canada.

* * *

IT IS somewhat of an enigma why the textile trade should always have been a favorite target of tariff tinkerers. The fact that the industry has not participated in the general prosperity of the past few years is amply evidenced in the income accounts of all textile companies. These income accounts appear in this week's supplement to The Financial Post. Neglecting entirely though, the ethics

(Continued on page 16)

AUSPICIOUS START IS GOOD PROMISE FOR CANNERS NEW

Preferred is Expected to Find its Way Into the Strong Boxes

PARDOE WILL RETIRE

Chairman is Credited With Solution of Problem of Top-heavy Structure With Accumulated Arrears

Shareholders of Canadian Canners at brief special general meetings this week ratified the proposed changes in the capital structure, with the result that the setup now will be:

$4,552,141 of 6 per cent. cumulative prior preferred stock, of $100 par value.

182,084 shares of second preference stock, of no par value, convertible into common shares on an equal basis, limited to $1 dividend, annually, 60 cents to be immediate rate.

136,944 shares of common stock of no-par value, ranking for dividends after second preferred receives 60 cents. Dividend on common to be graduated so that common and convertible preferred arrive $1 dividend basis simultaneously.

Eliminates Arrears

The structure has been $9,114,282 of $100 par 7 per cent. cumulative preferred and $2,282,412 of common of $100 par value. There has been 23 per cent. arrears on the preferred. The split thus is one-half share of the new first preferred and four shares of the no-par convertible preferred for each share of old preferred and six shares of new common for each share of old common.

There was no discussion at the meeting after the explanations by Avern Pardoe, chairman of the board. The market the next morning began to trade in the new stock. The new preferred began immediately to sell around 94, the second preferred at 18 and the new common at from 15 to 16.

It is anticipated that the new first preferred gradually will find its way into strong boxes as a sound investment. There is small possibility of the company in any year not earning the dividend on the new preferred, and the present board has bent its efforts to upbuild a strong cash position, in order to withstand any conceivable conditions of crops or manufacturing which might develop.

The trading for a brief time may be favorable to acquisition of the preferred stock, in view of the fact that the majority of the present holders are speculative in their attitude and are inclined to let this stock go and acquire the new second preferred or the common as stocks in which there are greater opportunities of gain in market value.

The results for the current year will be available in a few weeks and it is expected that the company will show a substantial improvement in profits, and a notable improvement in current position. This latter will be due to the determination of the executive to maintain a good liquid position, and to the fact that there has been a poor crop in a year following a term when this company was forced to build up an unprecedented inventory.

Avern Pardoe, who has been chairman of the board for the past two years, is credited with the financial policy which has helped so materially in enabling the company to solve the problem of accumulated arrears of dividend. As the by-laws of the company provide that the office of chairman of the board shall rotate among the directors every two years, Mr. Pardoe this year will retire. There is no official hint as to the identity of Mr. Pardoe's successor, but it may be noted that J. J. Nairn is president of the company, while the operating executive is W. R. Drynan, whose title is that of second vice-president and general manager.

Mexican Situation Looks More Healthy

From Our Own Correspondent

MONTREAL. — The satisfactory 7½ per cent. yield of the five per cent., 1940, first mortgage bonds of the Mexican Light and Power Company is drawn to the attention of investors in the circular issued by the Montreal investment house of R. G. Hoerner & Company.

In 1926, the company earned the interest requirements on the $11,340,500 bonds outstanding by more than eight times over. The present market value of the junior securities amounts to some $22,000,000 on properties valued at over $52,000,000. The investment house points out that fixed charges on the income bonds, first and second preferred shares, which rank after first mortgage issue, are being paid.

This indicates that the opinion of the management is that the political situation is stabilized —a view held by many authorities on Mexico.

Ottawa Changes Decision; Will Work With Britain

From Our Own Correspondent

Ottawa.—The Dominion Government has decided to co-operate with the Empire Marketing Board in an exhibit of Empire-produced foodstuffs at the British Industries Fair which opens in London in February. Canada at first emphatically declined to be included. When The Financial Post revealed that the Government had spurned the British Government's co-operation in this matter, it was taken personally in hand by Hon. James Malcolm, Minister of Trade and Commerce, who, after a quick but thorough investigation of the question, decided that it was in the interest of Canadian industry that Canada should be represented. Mr. Malcolm has had an official of his department in London making the necessary arrangements, and expects to have a report from him as to what is being done before the end of the year. Incidentally, another publicity man has been sent from Ottawa to London to see to it that Canadian exhibits receive adequate advertising in the British press.

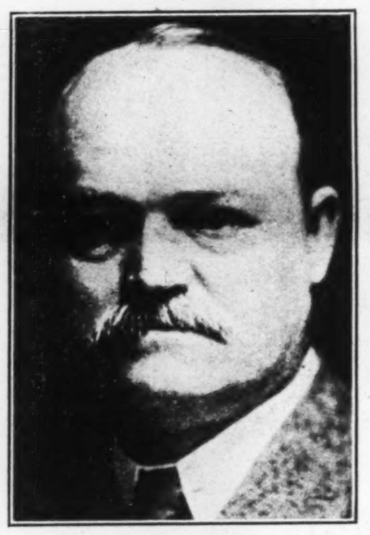
Say Toronto Candidates May Attack City Dairy

But Big Profits of Company Have Come from Subsidiary, Dri-Milk — Retail Business in Ontario Metropolis Not Gold Mine

A report that City Dairy was to be the object of attack by demagogic candidates for Toronto civic offices in the current campaign, is not taken seriously in informed quarters.

It is true that City Dairy has been a highly profitable company, paying handsome dividends to shareholders who have held their stock for a term of years. But it is also true that its profits from the retail distribution of milk and cream have been moderate. In fact, it was asserted widely that the company did not make money on its milk business within the city, but that the whole of the profits came from Dri-Milk Co., a subsidiary operating outside Toronto, and from products other than milk. The chairman said at the recent special general meeting, however, that there was a profit in the milk business, although not a great one.

President



S. J. MOORE,
Elected president of the B.nk of Nova Scotia

ARNOLD BROTHERS EXPECTED TO PAY 1¾% FOR QUARTER

May Not Now Pay Up the One Dividend in Arrears

Directors of Arnold Brothers were to meet for dividend action on Friday of this week and advance gossip forecasts a compromise on the payment of preferred dividends. These dividends are in arrears to the amount of 1¾%. Earlier it was expected that the arrears, together with the quarterly dividend for the last three months of the year, would be paid together. Some of the directors held out for a policy of building up working capital. The plan that was expected to go through Friday provided for payment of the current dividend of 1¾ per cent. but not of the dividend arrears, which would be paid later.

Rainy weather throughout November, interfered somewhat with chain store sales including those of Arnolds, but the company is enjoying a good December trade and net profits more than sufficient to carry the preferred dividend are being earned.

Company is said to have received attractive offers for two of its valuable sites, one in Toronto and one in Montreal. These represent substantial advances upon the book value of these properties. The offers have called attention to the fact that the company owns, or has perpetual leases on 47 of the 69 store sites it occupies, all of which are carried at a figure believed to be very moderate in comparison with present realty values. An estimate by one who has been closely associated with the company is that real estate properties could be sold to-day for an amount as great as the present market value of bonds, preferred and common shares combined without taking in inventories nor allowing for the earning power of the properties, or the stores on the properties.

BOTH STOCKS OF MUIRHEAD'S ARE STRONGER

Believed Company Can Maintain, Comfortably, Common Dividend

Both preferred and common stocks of Muirhead's Cafeterias have been stronger and more active in the last week or two on the Toronto Exchange, the common moving up to 14 and the preferred to better than 15. The preferred, on which 7½ per cent. cumulative dividend is paid on the par value of $10, is convertible into common on the basis of five shares of common for four preferred up to March, 1928, and share for share up to March, 1929.

An initial dividend of 50 cents was paid on the common shares October 1. While there is neither official nor unofficial confirmation, it is believed that the company can maintain comfortably the common dividend.

Three cafeterias are operated in Toronto. All do a good business. Recently the Adelaide Street restaurant has been opened in the evenings and there has been satisfactory patronage.

Scout Rumors of Sale of Canadian Oil Cos.

Reports, emanating from Montreal, that both British-American Oil and Shell interests are negotiating for purchase of Canadian Oil Companies, are scouted by interests in position to know what is taking place in Canadian Oil Companies.

The fact appears to be that the controlling interests of Canadian Oil Companies are not anxious to sell. Any sale, moreover, would have to include sale of the National Oil Refinery at Cleveland, O.

Recent strength in the stock of Supertest Petroleum has led to rumors of a possible sale of that company. Confirmation of these rumors is lacking.

Canada is Large Investor in American Enterprises

Canada looms on the world horizon as an international investor. This young country, offering excellent opportunities for the investment of capital has also been a market for large amounts of foreign issues in recent years. In the steady interchange of funds it has been difficult to determine whether Canada is actually drawing more money from the United States and Britain, its two chief sources of capital funds, than it is sending out to European and South American countries, investing in American enterprises and utilizing to re-purchase its own securities formerly sold abroad. It is roughly estimated that Canada has drawn $5,300,000,000 of foreign capital but has also invested about $1,200,000,000 of its own funds in other countries.

A glance down the active stocks on the Toronto Stock Exchange revealed some interesting sidelights on this question. Ten stocks traded in on a recent day were securities of companies either controlled in the United States or with a large American investment interest in them, most of them being Canadian branches of American companies. There were four stocks jointly controlled between the United States and Canada and operating in both countries, stocks of an international character. But there were no less than fifteen stocks of Canadian companies, controlled in Canada, that either operate branch factories or other enterprises in the United States or that in some other way represent a large Canadian interest in the United States. The enterprises represented included a salesbook manufacturing plant, paper box factories, a railway system, a biscuit factory, a packing plant, two street railway systems, a plant making office forms, a motor truck plant, a candy enterprise, a chain of groceterias, a harvester plant, an automobile accessory plant, a factory making steel tubes, a coal mine, and a concern making bushings for motor cars.

The list does not include other Canadian companies such as Brazilian Traction, Northern Mexico Power, etc., that have interests in countries other than the United States.

Gigantic Duel Follows Over Rights to Power on St. Lawrence River

Feature Supplements With This Edition

The New Head Office Building of the London Life Assurance Company .... Pages 33-43
Canadian Textile Industry with Reviews of Textile Investments .... Pages 17-27
Canadian Mining News .... Pages 28-32

REALTY ACTIVITY MARKS ENVIRONS SIMPSON'S STORE

One Building Bought by Trust Company; Another is Sought

Real estate activity in the neighborhood of the Toronto store of the Robert Simpson Company suggests some pending expansion by that retail store concern. Sale of the London Guarantee and Accident Building immediately adjoining the store has been reported while real estate agents acting for parties unknown have approached the owners of another site adjacent to the store with an attractive bid.

Simpson's can grow in only two directions, upward or westward, being circumscribed by street boundaries on the south, east and north. Movement westward is considered the logical development.

Sir Joseph Flavelle, chairman of Simpsons Limited, could not be reached to discuss these activities, which may or may not touch the company. C. L. Burton, general manager, beyond indicating that it was a trust company and not the Simpson Company which was named as purchaser of the London Guarantee building, did not care to discuss the matter.

Stock Brokers Spurn New Business Offers

Many of the large stock brokers are now declining to open new accounts. One of the largest houses in Canada, with offices from coast to coast, has not opened a new account in four months. Other houses will buy securities for clients ready to pay for them in cash but will not open new marginal accounts.

While the chief factor in the refusal to accept new business is declared to be the fact that the present wire equipment, and personnel of these firms is already over-worked, the desire to curb the wave of speculation in the country is also said to have influenced the decision to close down on new business.

Quebec Wants Development Canadian Section Done by Private Enterprise

FIRST SHOT FIRED

Certain Independent Financiers Approach Taschereau and King for Rights to Conduct Operations

The opening shot in what must, inevitably, become one of the most gigantic duels between Canadian capitalists in the history of the Dominion, has been fired, and henceforth the struggle for the power rights of the St. Lawrence river, must increase in intensity until final victory is won by one or the other syndicates of capitalists involved.

The National Advisory Committee on the Greater St. Lawrence Waterways, has been called by Premier King to meet in the capital early in January, to discuss the report of the joint engineering board, which was recently issued. It will be recalled that this report dealt altogether with the engineering difficulties confronting the Waterways plan. It made no recommendation in regard to the manner of development—whether by private or public enterprise.

Three Divisions

The stretch of the St. Lawrence, between Lake Ontario and Montreal is naturally divided into three divisions. There is the international division, stretching from the outlet of the lake to the point where the river ceases to be the boundary; then a central stretch from lake St. Francis to Lake St. Louis, where, roughly, 2,000,000 horsepower is available, and thirdly a stretch extends from Lake St. Louis to the foot of the Lachine rapids.

The joint engineering board, as the report indicates, recommends that the power development be made in the second stretch on the north side of the river, where the plants of the Montreal Power group are now situated. It does not appear to have thought of a development on the southern side.

In the third section, of course, development would have to be on the north side.

There are good reasons to believe that the report of the engineers will be attacked, on the ground that it will throw the power development into the hands of Montreal financiers who possess already power rights on the north side of the river.

Combat Will be Keen

This feature of the St. Lawrence development, has been a considerable time coming to the surface, but will undoubtedly be the most important from now on. Where millions of horsepower are to be developed, the combat will be keen.

The Quebec government, it is understood, has served notice on Ottawa that the development in the Canadian sections of the river must be by private enterprise. A publicly owned de-

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Background of Canadian Business

By JOHN E. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

End of the Year Finds Business in Sound Condition
Better Demand Anticipated for Iron and Steel in 1928
Decline in Automobile Production Evident This Year
Building Permits for Eleven Months Set New Record
Export Shipments Move Upward on Seasonal Demand

GENERALLY speaking, business in Canada is marking time at present, except in the wholesale and retail trades. No new developments are expected until after the New Year. The relative stability of credit and commodity prices in the past six months has been instrumental in the maintenance of business at a comparatively high level. There has been no wide fluctuation which characterized the years before and during the war. Briefly, the results of the past year may be summarized as follows: Prosperity in practically all lines; profit margins have narrowed; production has declined in the last two months; and insolvencies have increased. Meanwhile, bond prices have advanced and there has been a long bull market for stocks.

Better Position for Steel

The opening months of the year witnessed a substantial increase in the output of iron and steel, but production declined in the past month or two. The report for November shows an output of approximately the same volume as in the preceding month, namely, 37,989 tons. This is about 27 per cent. below production in the same month last year. A feature of the month's output was the comparatively high production in Nova Scotia which exceeded the combined outputs of the two Ontario producers by over 4,000 tons. Aggregate production for the eleven months of 1927 is about 5 per cent. under the 683,532 tons reported for the corresponding period of last year.

This may be attributed to the decline in automobile production. Whereas, in the fall of last year, this industry was setting up new records, changing models and uncertainty in the market this year caused production to fall off. It now seems probable that the automobile industry, the railroads, makers of agricultural implements, etc., will all be calling for larger tonnages of steel and iron in 1928 than they have this year. Moreover, demands for structural steel should be more voluminous, while miscellaneous manufacturing will absorb the usual quantity.

Automobile Output Less

Automobile production in this country has not declined to the same extent as in the United States. Aggregate production of cars and trucks for the eleven months totalled 175,948, as compared with 197,364 in the same period a year ago. It is likely that final figures for the year will show the same relative position.

A promising feature in this connection is that there is steadily accumulating a deferred buying demand of large proportions. Manufacturers and dealers are all of the opinion that next spring will witness a resumption of buying on a large scale. Public curiosity in regard to the new Ford models has been satisfied and though delivery will not be possible for some time, the note of uncertainty has disappeared.

New Building Sets Record

Building contracts issued in Canada during the past eleven months, exceeded the total for all of last year. Conditions in the construction industry have not been so favorable in many years. It was to be expected that a small decline would take place after the unusually active season of 1926, but that premise failed to materialize. It does not seem likely to fall off much so long as current interest rates remain low.

The same situation exists as regards building permits. The value of such issued by 63 cities during November was $12,849,089. This was rather greater than in the same month of any other year for which statistics for the 63 cities are available. The cumulative value for the elapsed eleven months of 1927 exceeds by nearly $29,000,000 that for the corresponding months in 1926, the previous high level of this eight years' record.

Export Values Increase

Another favorable sign of business is to be seen the external trade figures for November. The export trade in agricultural products has apparently got underway with a rush. The value of all products shipped out of the country during November totalled $153,118,718, as compared with $103,884,933 in the preceding month, and with $152,355,795 in November, 1926. This is the largest volume of export trade handled in any one month since April, 1924.

When November exports are compared with those for the same month last year, value of agricultural exports shows an increase of four millions, value of livestock is higher by over 1¼ millions. By the same comparison iron and steel exports are lower by 2½ millions. Forest products, which include newsprint, woodpulp, pulpwood, etc., are down by about one million.

Imports during November were the highest for any corresponding month in many years, totalling $94,311,883, as compared with $87,656,757 in November, 1926, and with $93,935,872 in the preceding month. Comparison of imports for last month with those for November of last year, shows an increase in agricultural products of three millions, while iron and steel imports were higher by over a million.

The favorable balance of trade, which has caused some people to worry, showed a definite improvement in November, amounting to $58,806,000. This is the fifth highest total registered for any November since 1917. At the same time duty collected recorded an increase, the aggregate for the eight months ended November being $114,390,000, as compared with $105,829,000 in the corresponding period of 1926.

Revenue Freight Declines

As was to be expected, revenue freight loadings took a sharp drop during the week of December 10th. On both divisions, 66,811 cars were loaded, a decrease from the preceding week of 11,312 and from the same week a year ago of 368 cars. The movement of agricultural products is slowing up owing to the close of navigation and from now on the volume of grain carried will be limited only to immediate domestic or export demand.

Analysis of the returns for the 49th week, brings to light several interesting facts. For the first time in many months, weekly loadings of merchandise show a decrease as compared with last year, though the cumulative total is still far ahead. The volume of grain and grain products moved now exceeds that recorded for the corresponding period of last year. Livestock, coal, lumber, pulpwood and miscellaneous freight have also recorded an improvement, while a slight decline is shown for coke, pulp and paper, other forest products and ore.

Can. International Corp. Exercises Its Option

From Our Own Correspondent

MONTREAL.—The Canadian International Corporation, which has been negotiating to acquire antimony mines in New Brunswick, has exercised its option on the Lake George property. Development of the mines will commence as soon as possible; the power plant has already been ordered and it is planned to instal a concentrating mill at the mines to be followed later by a smelter.

After winning as many butter-making prizes as the rest of Canada put together during 1927—or 49.7 per cent., to be exact—Manitoba now stands supreme as the Dominion champion.

Canadian Business Indicators

Compiled weekly by The Financial Post

	Latest		To Date	
	This Year	Last Year	This Year	Last Year
Production—				
Pig iron, tons (Nov.)	37,989	52,345	646,500	683,532
Steel, tons (Nov.)	80,730	54,311	811,390	718,395
Newsprint, cwts. (Nov.)	190,293	164,798	......	......
Automobiles (Nov.)	6,617	9,828	175,948	197,364
Boots and shoes, pair (Aug.)	1,675,598	1,406,782	11,867,591	11,338,398
Flour, bbls. (July)	1,019,000	1,212,000	9,123,000	10,194,000
Construction—				
Contracts awarded (Nov.)	$30,260,500	$34,972,800	$382,269,600	$359,222,800
Building permits (Nov.)	$12,849,089	$9,975,451	$173,707,177	$144,877,789
Labor—Employment index (Nov.)			107.5	102.8
Transportation—				
Car loadings (to Dec. 10)	66,811	67,179	3,217,113	3,092,710
C.P.R. gross (Oct.)	$21,201,713	$21,877,710	$160,384,749	$158,709,494
C.P.R. net (Oct.)	6,971,365	7,947,199	81,466,611	86,579,221
C.N.R. gross (Oct.)	$25,181,542	$26,292,428	$219,708,431	$216,711,581
C.N.R. net (Oct.)	7,688,003	8,585,671	33,841,597	37,143,519
Population—				
Emigration (Oct.)	7,962	......	107,141	......
Immigration (Oct.)	9,433	10,013	118,458	100,899
Trade (Oct.)—				
Imports	$93,935,872	$88,127,214	$910,324,572	$838,910,159
Exports	103,884,933	130,279,870	937,832,646	1,029,073,852
Imports of key products (Oct.)—				
Rubber, lbs.	4,009,605	......(12 mos.)	22,339,507	29,260,096
Cotton, lbs.	6,684,348	......(12 mos.)	53,673,588	59,421,138
Sugar, cwt.	837,316	......(12 mos.)	10,277,028	10,999,303
Petroleum, gals.	78,905,362	......(12 mos.)	807,960,860	661,854,268
Coke, tons	88,914	......(12 mos.)	808,114	1,030,709
Exports of key products (Sept.)—				
Newsprint, cwt.	3,185,686	......(12 mos.)	36,856,641	33,629,489
Automobiles, pass. (No.)	2,380	......(12 mos.)	46,911	55,658
Wheat, bus.	19,429,654	......(12 mos.)	246,274,071	253,138,477
Wheat Flour, bbl.	898,798	......(12 mos.)	9,303,251	10,562,843
Finance—				
Failures, number (Oct.)	183	180	1,466	1,437
Failures, liabilities (Oct.)	$3,095,476	$3,188,689	$24,735,094	$24,083,172
Bank Debits (Oct.)	$3,511,830,245	$2,830,782,750	$27,668,700,400	$24,599,221,268
Bond Sales (Nov.)	$92,366,166	$17,870,090	$601,804,330	$560,203,870
Stock prices index (Dec. 8)	....	....	544.3	229.3
Insurance sales (Oct.)	$48,104,000	$40,226,000	$408,604,000	$380,032,000
Wholesale prices (1913-100)—				
General Index (Nov.)	....	....	152.2	151.4
Iron	....	....	141.4	145.7
Cotton	....	....	165.7	106.5
Grains	....	....	163.1	158.0
Cattle	....	....	127.1	91.7
Rubber	....	....	60.9	64.8

CLUE GIVEN WHY TOBACCO STOCKS ARE ATTRACTIVE

More Women Are Smoking and Excise Tax May be Lowered

Governmental figures give the clue as to why the tobacco stocks, Imperial Tobacco and Tucketts, are increasingly attractive.

In October, 1926, there were 296,032,910 cigarettes entered for consumption and in October, 1927, the number was 339,563,900, an increase of approximately 14 per cent. In the same months, the values of cigarettes were given as $1,776,897 and $2,038,108 respectively.

There continues to be a reduction in the number and value of cigars entered for consumption. The figures under this head were $57,765 for October, 1926, compared with $57,669 in October, 1927.

Increased smoking of cigarettes by women has been ascribed as one of the principal reasons for the growth of this business. The following table of quotations, this year and a year ago, and this week, shows how the stock market has reflected the betterment in the position of the tobacco companies:

Imperial Tobacco	High	Low	Close
January, 1927	7⅛	6⅞	7
November, 1927	11	9¼	9½
December 19	9¾	9½	9⅝
Tukett Tobacco	**High**	**Low**	**Close**
October, 1926	64	61	64
October, 1927	95	90	90
December 15	95	95	95

The tobacco companies will be benefited further if, as is expected, the next Dominion budget lowers the excise taxes on cigarettes to such an extent that smuggling no longer will be an incentive. While it is believed that some of the major professional smuggling operations have been stopped, the total of smuggling for individual consumption is great enough to affect seriously the fortunes of the domestic producers of cigarettes. The extent of the possible cigarette smuggling may be realized when it is recalled that the individual smoker, when across the international boundary, is more than likely to return with a carton or more of cigarettes which he purchased for about 53 per cent. of the cost of a similar brand of cigarettes in Canada.

Calgary Power Company Declares Initial Dividend

From Our Own Correspondent

MONTREAL.—The Calgary Power Co. has declared an initial dividend of one and a quarter per cent. on its common stock for the quarter ending December 31. The declaration reflects the growth of the company in past years and its steadily improved position and earning power. It indicates also that the shares will be on a 5 per cent. dividend basis in 1928.

The company was incorporated eighteen years ago and has a developed hydro-electric capacity of 31,000 h.p., most of which is sold under contract to the City of Calgary. The balance of its power production is sold to large industrial users.

During the current year the company has increased its distribution system and added new communities to its territory. Lately, it entered into an agreement which linked up its lines with the city of Lethbridge steam power plant. Last year on its common shares, after all charges, the Calgary Power earned over $6.60 a share.

Nova Scotia Steel and Coal Meets Its Interest Charges

From Our Own Correspondent

MONTREAL.—The Nova Scotia Steel and Coal Company is continuing to meet its interest charges before the date which, under the trust deeds covering its mortgage issues, the mortgage holders of the property can foreclose on the property.

Funds to meet the interest on the 6 per cent. debentures, which was due July 1 last, have been deposited with the Eastern Trust Company, the trustees for the debenture issue. The interest is to be distributed to the debenture holders. According to the statement at the close of 1926, the outstanding debentures total $4,978,500.

Under the trust deed covering the issue, the management has six months of grace before foreclosure proceedings can be instituted after default of interest on the debentures.

RETIRES FROM HOUSE

MONTREAL.—As F. G. Newton, of the Montreal stock exchange house of Jones, Newton & Heward, has retired from the firm, the business in future will be carried on by N. C. Jones, Brian Heward and J. D. McPherson, under the firm name of Jones, Heward and Company.

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Canadian Sugar Refineries Still Feels Competition

From Our Own Correspondent

MONTREAL. — The Canadian Sugar Refineries, in which investment interest is centred on Atlantic Sugar and Acadia Sugar, continue to feel keen competition, for in the four weeks period ending December 3, the total output of all the refineries amounted to 91,267,532 pounds as compared with 112,979,280 pounds in the same period of last year. For the year to date, the output of the refineries totals 942,536,958 pounds, as compared with an output of 1,071,523,609 pounds in the same period in 1926. Moreover, due to the competition from foreign refineries, it is understood that the manufacturing profit has been reduced this year.

For the ten months ending October, 1927, imports of refined sugar amounted to 29,551,000 pounds—an increase of some 3,000,000 pounds over a year ago. On a percentage basis, this is a substantial increase which naturally affects the Canadian refineries; but what affects the Canadian producers more is the keener competition which thus reduces the price spread between raw and refined sugar.

For the eleven months ending November, exports of Canadian refined sugar dropped from 271,123,700 pounds in 1926, to 193,382,000 pounds this year.

Development of rye and mixed grain acreages in Saskatchewan provides an interesting phase of the latest quinquennial census report for the prairie provinces.

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Lake of the Woods is to Make Changes in Capital Structure

New Common Stock Will be Without Par Value

HOLDERS TO AGREE

Management Hopes to Pay $3.20 Annually in Dividends

From Our Own Correspondent

MONTREAL.—Arithmeticians holding Lake of the Woods Milling Company shares will have worked out already on a cash basis just what the proposed split in the stock and issuance of new shares means to the shareholders.

The effect on the holders of the shares can be summed up in a brief word or two. When all the proposed changes are put into effect, it will result in the holder of one common share now paying $12 a year, turning in his share and receiving in exchange three no par value common shares which will pay dividends totalling $9.20 a year; together with this, the present holder of one share will receive the right to subscribe to new stock. These rights have a present indicated market value of around $8 for every one share of the present stock outstanding. This is the way the present capitalization compares with the new:

Outstanding Share Capital

Stock	Present	New
Preferred $100 par ..	15,000 shs.	15,000 shs.
Common	35,000 shs.	x105,000 shs.

xTo be immediately increased to 140,000 shares by the issuance of one new share at $50 for every three new shares outstanding. New stock carries one vote for every three shares.

Capital Structure Changes

At a special general meeting of the company on January 25 next, the shareholders will meet to authorize the foregoing changes in the capital structure. The common stock at present is of $100 par value; the new stock is without par value. Lake of the Woods pays out annually in common dividends at present $420,000. In a letter to the shareholders, the management says that it hopes to pay $3.20 annually in dividends. On 140,000 shares this means that the annual dividend disbursements on the common would amount to $448,000.

While the annual dividend requirements of the company are marginally increased, yet by the issue of new stock the company will obtain $1,750,000. Of this, $1,000,000 will be used to redeem a large proportion of the Dominion Flour Mills 5 per cent. bonds, of which there are outstanding $1,400,000. The remaining $750,000 will provide new working capital. As the company has always maintained itself in a satisfactory working capital position, it may well be that the financing thus obtained will be used to purchase bakeries and so to increase the domestic outlets for the Lake of the Woods production. Indeed, there is a persistent rumor that the company has been acquiring bakeries located in various sections of the Dominion.

Dominion Flour Mills

The retirement of the bonds of the Dominion Flour Mills, the Lake of the Woods wholly-owned subsidiary, will reduce annual charges by $50,000 a year—a figure materially in excess of the marginal increase in the dividend requirements when the full 140,000 shares of new no par value common stock are issued.

At the special general meeting, the shareholders will be asked to ratify splitting the $100 par value common shares on the basis of three for one into shares of no par value and to issue additional new no par value stock to the shareholders at $50 per share in the ratio of a further new share for every three held.

In reality, the change in the capital means a reduction in the dividend rates which the directors feel is in the best interests of the company and which would have been put into effect even if the proposed re-arrangement of the capital stock had not been decided on. The holder of the new common stock will be entitled to only one vote for every three shares held. The reason for the change in the voting rights lies in the fact that it was deemed desirable to leave the proportion of the control of the company now in the hands of the common shareholders unchanged as compared with that of the preferred shareholders.

Negotiable Warrants

As soon as the shareholders have ratified the change in the capitalization, the management will issue the new stock rights which will be in the form of negotiable warrants. Lake of the Woods common is now selling around 174, which places a value of $58 a share on the new stock. Thus, the holder of one of the present shares gets three new shares with which goes the right to purchase one new share at $50 as compared with the indicated market value of $58. Or, in other words, the indicated value of the rights attached to one of the present shares is about $8, which should certainly more than compensate the shareholders for the dividend reduction.

European Tariff

For years, Lake of the Woods has been one of the predominant milling companies of the Dominion. But the shutting off of European markets, due to higher tariff walls there, has had its effect on all the milling companies in the Dominion. The aim of the Lake of the Woods management has always been to build up a company which would show increasing strength year by year. The depressed state of the world market for flour has not allowed the management to plow back the same proportion of earnings during recent years as was the case formerly. The present dividend reduction then is simply in line with what has long been the policy of the management.

The shareholders at the special general meeting will also be asked to increase the maximum number of directors from twelve to fifteen. The suggested increase in the directorate also indicates that the Lake of the Woods has expansion plans in view which have not been revealed as yet. The directorate has recommended the approval of the plan of re-arrangement of the financial structure to the shareholders because, they say, it will largely increase the working capital, effect savings in annual charges and generally strengthen the position of the company and because the sub-division of the present common shares will make the proposed new common shares more easily bought and sold.

Elements Affect Canada Steamship

From Our Own Correspondent

MONTREAL. — Gross earnings of the Canada Steamship Lines up to the end of November were understood to be substantially above the 1926 figure, but during the closing weeks of the navigation period, extraordinarily bad weather conditions prevailed, with the result that the prevailing feeling is that the company's annual report will show earnings only at about the 1926 level when profits were equivalent to $2.59 a share on its 120,000 shares of common stock outstanding.

Expansion Points to Insurance Prosperity

One of the best indications of prosperity in the life insurance business is the head office construction program that is going on in various parts of Canada. In Montreal, the Sun Life are laying foundation for a huge addition to their present structure. In London, a magnificent structure is just being opened by the London Life, and only a few months ago the Metropolitan Life opened their new Canadian head office home at Ottawa.

Another development along these lines is that by way of celebrating their seventh anniversary, the Ontario Equitable Life & Accident Co., have purchased a large property across from their head office at Waterloo, and upon this site will eventually be erected a new head office building. In its seven years operation, the company has built up a business of nearly $37,000,000.

The latest word comes from Winnipeg, where the Great West Life have just completed the purchase of a solid two-story brick block on Lombard St., close to Main St., and situated between the company's head office and the Union Trust building. The property is recorded to have rather an interesting history, having been built as an exceedingly palatial saloon in 1874. The building was evidently the centre of social life in the newly-incorporated city, for many years, as not only the structure, but also its appointments, which included 14 billiard tables (the first to be placed at the disposal of the public) were of a very ambitious character.

In addition to this newly-acquired property, The Great West Life also owns the southwest corner of Rorie St. and McDermot Avenue, to the north of their present office building, so that although no actual building plans have been announced as yet, nevertheless the company has now ample accommodation, as far as property is concerned, for many years to come.

Rumors are Rife over Donnacona

From Our Own Correspondent

MONTREAL.—Since the acquisition of the Donnacona Paper Company by the Royal Securities and J. H. Price, president of Price Brothers, no official announcement has been made regarding what disposition will be made of the property. It is thought that Price Brothers & Co. will not become interested in the new Donnaona picture, but there are rumors which indicate that Connacona might arrive at some arrangement with Price Brothers, leading to the use of the larger company's limits on the south shore of the St. Lawrence.

A banner year in Alberta coal production is in sight, if the mines continue at their present rate of output. A total of 7,000,000 tons is assured.

Southern Can. Power Has Excellent Future

Indications Are That During 1928 Shares Will be on $4 Annual Dividend Basis — Earnings Increase Steadily Month by Month

From Our Own Correspondent

MONTREAL.—The Southern Canada Power Company's dollar a share dividend declaration payable February 15 next seems to indicate almost conclusively that during 1928 the shares will be on a $4 annual dividend basis. In 1927 the stock paid $2, payments being made of a dollar a share twice yearly in May and November. What information is available points to the fact that for the future the disbursements to the shareholders will be twice as great as in 1927.

The satisfactory point about the Southern Canada Power Company is not only that its earnings are increasing, but that this increase is steadily continued month by month. Monthly earning figures over a period of years, practically without interruption, have shown an increase. During the first two months of the current fiscal year, the gross earnings are up $31,000 and the net up by over $17,200.

Depreciation Allowances

In the past, the annual account of the Southern Canada Power revealed only a small margin over dividend requirements, but the small annual surplus seen in the company's account is accounted for by the large depreciation allowances made annually.

The balance sheet for the 1927 annual year will show fixed assets of about $17,000,000 and a depreciation reserve of about $1,000,000. The company allows ten per cent. of its gross each year for depreciation as compared with many other public utility and power enterprises which allow but five per cent. annually. The present ratio existing between fixed assets and depreciation accounts reveals that the company is conservative in its bookkeeping methods and has built itself up into a strong position, more especially as Southern Canada Power has expanded rapidly in the past five or six years and the growth of its fixed assets has been rapid. This makes the ratio between depreciation reserves and fixed assets the more satisfactory and as a large proportion of the total investments have been made within recent years, places the company in a stronger position.

Price Looks Low

The present price of the shares is about 110. If the stock pays $4 per share in 1928, the present price looks decidedly low, especially as compared with non-dividend paying power stocks. It looks low also as compared with some of the other Canadian dividend payers — but not all.

In addition to Southern Canada Power's record of steadily increasing earnings, the outlook for the future of the company is satisfactory and the industrial department is meeting with successful results. There are prospects of several new industries establishing plants in the territory served by the company.

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B. C. FISHING CO. LIKELY TO SHOW LOWER PROFITS

Pacific Coast Industry Has Not Enjoyed Good Season in 1927

Although a number of brokerage houses continue to recommend the preferred and common stocks of B.C. Fishing & Packing as an interesting speculation, there are conservative observers of the market and this stock, who are of the opinion that purchase must be attended by great risks.

In the first place, it is well to remember that conditions in the fishing industry on the Pacific Coast have not been good in the last season. Secondly, there is an opinion which declares that the directors would not have been erring on the side of conservatism if they had declared a smaller dividend on the common stock following the split earlier this year.

Earnings before depreciation, maintenance and taxes in the last seven years have been:

1926	$541,669	
1925	578,654	
1924	129,153	
1923	125,144	deficit.
1922	22,415	
1921	313	
1920	353,884	

Dividend requirements on the existing preferred stock requires $175,000 annually, which is more than the company has earned in four of the last seven years for which figures are available. The present common dividend $1.25 per annum requires approximately $125,000 annually, or $300,000 in all for dividends. In only two years of the last seven have net profits been shown in excess of $300,000, and last year the figure of $345,262 was arrived at after only $6,894 had been appropriated for depreciation on physical assets carried in the balance sheet at $3,531,000. The total of depreciation reserve is shown at $1,000,000.

Technical Position Not Good

The technical position of the stock is not especially good, according to a disinterested informant. Little of the stock apparently is in the hands of investors, the bulk of it being registered in brokers' names, either on their own account or carried marginally for customers.

The profits of all the fishing companies on the Pacific Coast will be less for the current year than for the previous year, according to the best information available. The only other company in which there is a wide public interest is Gosse Packing. This company, while not so large as B.C. Fishing, is nevertheless an important unit in the industry. Its profits will be down somewhat, it is reported, but perhaps not so much as the profits of B.C. Fishing.

Stock Market

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Dec. 21	116.4	113.5
Week of Dec. 14	116.8	113.7
Month of Dec., 1926	87.6	80.4
9 Bank Stocks		
Week of Dec. 21	$282	$278
Week of Dec. 14	281	278
Month of Dec., 1926	232	224
10 Public Utilities		
Week of Dec. 21	$112	$109
Week of Dec. 14	114	109
Month of Dec., 1926	89	85

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	5	2	2	9
Paper	8	6	3	17
Steel	14	6	18	38
Foodstuffs	17	19	18	54
Utilities	11	11	9	31
Tractions	4	4	7	15
Textiles	9	3	7	19
Industrial	21	17	22	60
Total	89	68	86	243

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SEE NO DECLINE IN PAPER PROFITS

Provincial and Howard Smith Face Decline in U.S. Prices

Although book and other high-grade paper prices have been softening in the United States in the last several months, it is not expected that the two large Canadian companies, Provincial Paper and Howard Smith, engaged in this branch of the paper business, will show any material decrease in profits for the current year, compared with the previous year.

Provincial Paper, in fact, is expected to show a slight increase for the current year. The book paper manufacturers are protected by a tariff and a drop in the price of book paper across the boundary line would not affect the Canadian market directly, or at once, according to information which comes from a usually well-informed quarter.

LETHBRIDGE WANTS MANY MORE HOMES

Board of Trade Launches Scheme for Organizing Building Syndicate

From Our Own Correspondent

LETHBRIDGE, Alta.—Lethbridge is experiencing a house famine and to facilitate the erection of a hundred or more bungalows in the spring the Board of Trade has launched a scheme whereby citizens will organize a home building syndicate. A certain amount of capital will be raised locally and the assistance of the loan and mortgage companies will be sought.

It is understood there are large sums now available for building loans in western cities, and Lethbridge is going after it. The scheme calls for the erection of homes ranging from $4,000 to $6,000 to be paid for over a period of years. There are scores of young married men in the city who want homes, but there are none available, and to finance themselves is difficult. It is to meet this problem that the Board of Trade is moving. A committee has been named to confer with the loan companies to see exactly what they are prepared to do.

One of the prime movers is A. B. Hogg, former president of the board, who has been prominent in the movement for the removal of what has been termed restrictive legislation which, it is claimed, has kept needed capital out of Alberta. Mr. Hogg has advocated vigorously the repeal of certain legislation as part of a campaign looking to the attraction of more money to Alberta for the development of the provinces' natural resources and the erection of the homes, apartments and factories.

GERMANS TAKE RAPID STRIDES FOR STABILITY

Thomas Bradshaw Finds France Too, in Improving Position

Thomas Bradshaw, general manager of Massey-Harris Co., who has recently returned from a business trip to France and Germany, is of the opinion that the economic rehabilitation of Germany is being achieved rapidly.

Mr. Bradshaw spent several days in Cologne.

"I do not know when I have been so favorably impressed as with this city on the Rhine," he said to an interviewer, "the working people seem well dressed, healthful and happy. The commercial traffic on the Rhine is heavy and is an indication of the prosperity that apparently is general within the country. There is no visible unemployment."

THOMAS BRADSHAW

Mr. Bradshaw characterized conditions in France in 1927 as normal, or somewhat less active than 1926, when a falling currency was urging people to place their funds in physical property. France is doing fairly well at the present time and an encouraging feature of the economic picture, said Mr. Bradshaw, is the growth in exports.

Goodwill Reduced of Dominion Glass

From Our Own Correspondent

MONTREAL.—A total of $1,550,000 has been written off the goodwill account of the Dominion Glass Company Limited to date. During the past year the sum of $50,000 was written off. Sir Charles B. Gordon, president of the company stated at the annual meeting that it is the intention of the directors to continue the policy of reducing the goodwill account which has now been brought down to $3,106,920. This account includes patent rights and trade marks. The funded debt of the company is also being rapidly reduced. Of an original bond issue of $2,000,000, the company's bonds outstanding at the end of the fiscal year September 30, 1927, amounted to but $965,400.

Electric Refrigeration Corp. Shows Consolidated Net Loss

The report of the Electric Refrigeration Corporation and subsidiaries for the twelve months ended on September 30 shows a consolidated net loss of $2,467,248, after expenses, interest and other charges. In the previous report, covering the nine months to September 30, 1926, the net profit was $2,622,652, or $4.34 a share, earned on 604,096 shares of no par stock then outstanding.

Net sales of the corporation and its subsidiaries, excepting Refrigeration Discount Corporation and Kelvinator of Canada, Ltd., were $20,122,865 in the year to September 30, against $17,163,128 in the preceding nine months. Costs and expenses were $21,534,570, against $14,013,085.

Electric Refrigeration, through Kelvinator of Detroit, guarantees the preferred stock of Kelvinator of Canada.

MARKET STOCK OF CHARLES GURD CONTINUES HIGH

Rumor is That Canada Dry Ginger Ale Wants Control

From Our Own Correspondent

MONTREAL.—Charles Gurd & Co. report sales for every month of the present fiscal year to have surpassed those of last year. While the present market price of the stock is considered high, the company is progressing steadily, its markets increasing all along the line and particularly in the Maritime provinces. The company operates under an efficient management and has been making steady progress. Rumors of an increase in the dividend to $6 a share, it is felt in well informed circles, to be somewhat optimistic.

The present price for the stock is exorbitant. It is impossible to obtain any official explanation for the appreciation in the shares. Gossip has it that another large Canadian company engaged in the same line of business is endeavoring to acquire the control of the property, but other than the large recent rise in the shares, there is nothing as yet to confirm this rumor.

One of the rumors regarding the company is interesting. It is to the effect that the makers of Canada Dry Ginger Ale offered $75 a share for the stock. This offer was turned down. Another bid of $100 was made and this was also turned down. It is now claimed that the Canada Dry interests are buying up as much of the stock as possible on the market with a view to later offering the management $120 a share for their holdings.

Humberstone Shoe Company is Doing Excellent Business

Orders are being received in such volume by Humberstone Shoe Co., Limited, that the factory at Humberstone, Ont., is having difficulty in keeping up with them. Sales for the quarter ended October 31st were far and away ahead of those for the corresponding quarter in 1926.

MANITOBA PAPER CO. HAS PULP SHORTAGE

From Our Own Correspondent

OTTAWA.—The serious shortage of pulpwood in the berth set aside by the Federal government for the Manitoba Paper Company—a subsidiary of the Spanish River and Abitibi companies—is the driving force behind negotiations which are now commencing at Ottawa for an enlargement of the berth possessed by that company.

When the first newsprint mill was established in Manitoba, the Federal government divided the province into three pulpwood berths, each with a large water power site available, and each, supposedly, with sufficient pulpwood to warrant separate development. These were the Nelson and Saskatchewan rivers berths, and the Lake Winnipeg watershed berth. The Manitoba Paper Company obtained the latter berth, which runs around Lake Winnipeg, with the exception of territory drained by the Saskatchewan river, and the Lake Winnipegosis area.

Government's Undertaking

A mill capable of producing 300,000 tons daily was erected and the government undertook to find the company 6,000,000 cords of wood. Cruising for this wood was to commence on the east side of the lake and proceed north around the northern end thereof, until the full cordage had been obtained. At the point where the needs of the mill were satisfied, the berth was to end.

Cruising operations were completed in this berth last summer and the tabulations now nearly completed show that instead of 6,000,000 cords, there are less than 3,000,000 cords in the entire berth. This is less than one-half the amount of wood required by the mill, and unless further supplies are forthcoming the investment will be seriously menaced.

The difficulty to be solved, however, is how the Manitoba Company's supply of pulpwood may be augmented without destroying one of both the other two berths.

Further Wood Supplies

Meantime the campaign for further wood supplies is taking the form of an application for extensions to the present berth both north and west. The Manitoba Paper Company desires to extend the confines of its present berth northward as far as the Nelson river—which flows out of Lake Winnipeg—is navigable. This is some 90 miles, and would seriously diminish the wood supply of the Nelson berth. The company also requires the Lake Winnipegosis area, and, if possible, a part of the Saskatchewan river area.

Hon. Charles Stewart is considering these proposals, but, so far, has given no indication of his intentions. It is expected that the matter will become very active in January.

New Issue

As this issue has been over-subscribed this advertisement appears as a matter of record only.

$7,500,000

McColl-Frontenac Oil Company
LIMITED

6% Cumulative Sinking Fund Preferred Stock
$100 Par Value

Preferred as to dividends and assets. Dividends on this issue accrue from January 1st, 1928, and are payable quarterly on the 15th of April, July, October and January. Redeemable in whole or in part after January 1st, 1930, on any dividend payment date on 30 days' notice at 105% and accrued dividend.

Transfer Agent: MONTREAL TRUST COMPANY, Montreal and Toronto
Registrar: ROYAL TRUST COMPANY, Montreal and Toronto

CAPITALIZATION

	Authorized	To be issued
6% Cumulative Sinking Fund Preferred Stock (this issue)	$10,000,000	$7,500,000
Common Shares of No Par Value	750,000 Shs.	425,000 Shs.

BUSINESS: McCOLL-FRONTENAC OIL COMPANY, LIMITED has been incorporated to acquire all the outstanding Capital Stock of McColl Brothers Limited (established originally in 1873), and Frontenac Oil Refineries Limited. These companies are engaged in the refining and distribution of petroleum products. The consolidation of these two companies will effect an organization maintaining branches advantageously located in eight provinces in Canada, providing facilities from coast to coast for the distribution of its products.

PROPERTIES: Two modern oil refineries will be owned and operated, one located on the harbour-front in Toronto, Ontario, the other on the harbour-front, Montreal East, P.Q. Excellent railroad and water transportation systems serve both refineries. In addition, the Company will also own a modern tank steamer (equipped with Diesel engines) together with tank cars, tank trucks, service stations, distribution depots, etc., necessary for the carrying on of its business. Through ownership of all the Capital Stock of McColl Brothers Inc., of Buffalo, N.Y., the Company will own valuable lands and oil tanks in that city. The right to use the Cyclo-Vapour-Phase process for the manufacture of Cyclo Gas in Canada is held exclusively by the Company.

PRODUCTS: The Company will be equipped to refine and distribute industrial oils, lubricants, gasoline, kerosene, fuel oils, etc. Its Red Indian motor oils, Marathon and Frontenac gasolines and Cyclo Gas have proven popular with consumers. Cyclo Gas, which was introduced in and around Montreal during the year 1927 by the Frontenac Oil Refineries Limited, will, in the future, be available for sale through all the agencies and stations of the consolidated organization. This gas is a non-carbonizing, no-knock motor fuel, which may be used to advantage in all gasoline motors. The new high compression motors, however, now being advocated by automobile manufacturers, can operate satisfactorily only with fuels such as Cyclo Gas, which can withstand high pressures.

ASSETS: The market value of the securities acquired and proposed to be acquired is to-day in excess of $13,000,000. Upon completion of the present financing, net current assets of the combined companies will be approximately $4,000,000.

EARNINGS: Based upon the present sales of the individual companies it is estimated that their net earnings for the calendar year 1928 available for dividends will be not less than $1,200,000, or at the rate of 2.66 times Preferred Dividend requirements of this issue. It is expected that the economies in operations to be effected and the wider distribution facilities to be available for Cyclo Gas will result in increased earnings in the future.

SINKING FUND: The conditions attaching to the Preferred Stock in addition to those dealing with its preference as to dividends and assets will further provide that: Commencing with the year 1930 and annually thereafter 10% of the annual revenues of the Company available for distribution upon its common stock will be set aside for the purpose of a Sinking Fund to retire the preferred stock issue. These funds will be utilized to purchase shares in the open market at not exceeding the call price, or if such shares are not so available they may be called by lot at 105% and accrued dividend. Shares so purchased shall be cancelled and not reissued.

MANAGEMENT: Essentially the same managements which have been successful in operating these Companies in the past will continue their management in the future.

Messrs. Price, Waterhouse & Company have audited the books of McColl Bros. Limited, and Messrs. P. S. Ross & Sons have audited the books of Frontenac Oil Refineries Limited for our account, and their respective reports are on fyle in our office.

We offer these Preferred Shares if, as and when issued and received by us and subject to the approval of Counsel of all proceedings, at the price of

100 and accrued dividend, to yield 6%

Carrying a bonus of 4 Shares no par value Common Stock with each 10 Shares Preferred

NESBITT, THOMSON & COMPANY, LIMITED
Montreal Toronto Quebec Ottawa
Hamilton London, Ont. Winnipeg
Saskatoon Vancouver

McDOUGALL & COWANS
Montreal Halifax Saint John
Quebec Ottawa
Toronto Winnipeg

The statements in this circular are not guaranteed, but are based on information which we believe reliable and on which we acted in purchasing these securities.

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REAPER THRESHER IS REMOTE THREAT TO BINDER TWINE

New Device Gradually Expected to Reduce Market for Cordage

Development of the reaper-thresher does not improve the long-term outlook for the companies manufacturing binder twine, in the opinion of observers of the agricultural machinery industry. Of course, the reaper-thresher in every case replaces one or more binders, but most, or all, of the companies in the business of making and selling reaper-threshers have developed this line from the bases of the binder and the thresher.

There are districts in the United States—the state of Kansas is one—where there are few binders to be found. This virtually eliminates Kansas as a market for binder twine. It is expected that the reaper-thresher gradually will be increased in some sections of the Eastern United States and Canada, and probably in nearly all the grain-growing sections of the sub-equatorial countries.

It is improbable, of course, that the use of binder and of binder twine will ever be superfluous. There are some sections of eastern Canada where, it seems, the binder must be used in the future. The reaper-thresher is, moreover, a machine for the large farm and on the comparatively small farms of Eastern Canada and the still smaller farms of Europe, the stationary thresher and binder probably will hold their own.

Problems for Workers

Canadian manufacturers of binder twine are only remotely concerned with the reaper-thresher's menace to their markets. The immediate concern is the dumping of binder twine out of Holland into this country at below the manufacturing cost. So far, the government has done nothing to protect the domestic manufacturer from this sort of competition and it is probable, unless the foreign producers themselves raise prices, that the Canadian manufacturers will be able to operate this year only at the sacrifice of profits.

In this connection, the following editorial from the Brantford Expositor, referring to the Brantford Cordage Co. and other concerns in a similar position, is interesting because it demonstrates the menace to the worker in the cordage plant as well as the menace to the investor in the cordage companies:

> In the attempt which is being made by many newspapers to make political capital out of the position of the Cordage companies of the Dominion, the main point of the present situation is being missed altogether. The workingmen and women who may lose their means of a livelihood are not so much concerned whether the cordage companies have prospered under Free Trade or Protection as they are that steps be taken at once by the government to see that a great Canadian industry be allowed to continue in operation without undue injury from foreign competition coming from countries where the wages of labor have almost reached the vanishing point. Whethter this protection comes from the tariff or from an application of the dumping clause is not important, so long as something is done before it is too late. Already the Consumers Cordage Co. at Dartmouth has been closed and many people thrown out of employment. That is not a situation to be received with complacency. Big concerns do not close factories as a mere gesture. It is not politics, it is business; it is common sense, and the government can find the remedy.
>
> The dumping clause is intended to apply dumping duty in cases where the price of imported articles to Canada is less than the price in the country of origin. Inasmuch as Dutch twine is quoted for domestic consumption at prices as low as those quoted for this article in Canada it would appear as though the Dumping Clause could not apply, but, as the domestic market in Holland for binder twine is so small, any price may be placed upon it without great loss to the manufacturers, just to enable them to quote low prices in Canada and not be subject to dumping duty. The manager of the Dartmouth Cordage Co. makes the statement that American cordage is being dumped in the Maritime Provinces at prices below those obtaining in the United States. A statement like this would scarcely be made unless justified by the facts. Consequently an immediate investigation by the government seems most imperative. It is not a question of politics. The western farmer has been well taken care of. He has been purchasing good twine at fair prices. His harvest supply is always ready for him and, in the long run, he will be the sufferer if the binder twine market ever gets controlled by the foreign manufacturer.
>
> Let something be done at once.

$2 Dividend Basis is Predicted of J. S. Mitchell & Company

From Our Own Correspondent

MONTREAL.—Both the preferred and common shares of J. S. Mitchell & Company have been listed on the Montreal Curb Market. There are 15,000 shares of no par value outstanding and $600,000 in 7 per cent. sinking fund, cumulative, redeemable preferred. It is understood that some of the preferred issue has been repurchased by the company.

It is said that at the present time, J. S. Mitchell has a liquid surplus in excess of the entire preferred stock issue, and has holdings in cash and the equivalent of cash equal to more than three dividends on the stock. During 1926 earnings on the common stock amounted to $4 per share this year the earnings on the stock will be larger than this figure.

It is generally anticipated that the shares will go on a $2 dividend basis within a few months.

Meeting of all stockholders in Fall River coarse goods mills being discussed as first move in consolidation of 25 mills.

Unlisted Stocks

These prices are mostly as at December 20, and while obtained from reliable sources, cannot be guaranteed.

Industrial Stocks

	Bid	Asked
A. W. Chase, com.	$ 4.00	$ ...
A. W. Chase, pref.	59.00	64.00
Border Cities pfd., bonus com.	....	40.00
Brandram Henderson, com.	18.00	22.00
Brandram Henderson, pref.	80.00	....
Brantford Roofing	98.00	....
Brooks Steam Motor Units	....	1.00
Canada Machinery, com.	5.00	8.00
Canada Machinery, pref.	25.00	30.00
Can. Paperboard, pref.	...	90.00
Canadian Westinghouse	202.00	....
Caulfields Dairy, com.	20.00	....
Copeland Flour Mills, pref.	19.00	....
Dom. Alloy, pref. bonus com.	1.00	3.00
Dom. Foundries & Steel, com.	2.00	4.00
Dom. Foundries & Steel, pf.	24.00	....
Dom. Linens, pref.	16.00	20.00
Dom. Manufacturers, com.	7.00	....
Dom. Manufacturers, pref.	68.00	....
Dom. Power, com.	38.00	42.00
Dom. Power, pref.	102.00	104.00
Dom. Sewer Pipe, com.	60.00	62.00
Dom. Sugar, com.	21.50	24.50
Dom. Sugar, pref.	94.00	97.00
Dunlop Tire, pref.	100.00	103.00
Durant of Canada	3.50	....
Gillett, E. W.	64.00	....
Goodyear Cotton, 7% pref.	101.50	....
Gotfredson Truck, com.	....	18.00
Greening Wire, pref.	96.00	99.00
Guardian Realty, pref.	60.00	65.00
Huethers Brewing, pref.	2.50	5.00
King Edward Hotel "A"	78.00	81.50
King Edward Hotel "B"	74.00	77.00
Kingston Ship-Building, pref.	18.00	....
Loew's Buffalo, pref.	25.00	30.00
Loew's London, com.	5.25	6.00
Loew's London, pref.	8.00	8.50
Loew's Mansfield, pref.	83.00	....
Milton Brick Co.	15.50	....
National Steel Car, com.	....	40.50
Palace Thea. (Montreal), pfd.	64.00	....
Pure Food, com.	26.00	29.00
Simpson, Robt., pref.	102.00	104.00

Insurance

	Bid	Asked
British America	42	
Canadian Fire, full pd.	115	125
Canada Life	975	1025
Canada National	16	20
Casualty of Canada, Full Pd.	180	..
Capital Life, 20% Pd.	22	25
Confederation Life, 10% pd.	90	..
Continental Life, 10% pd.	65	..
Crown Life, Full Pd.	325	..
Dom. of Can. Guar. & Ac.	350	..
Dominion Fire	104	
Dominion Life, 50% pd.	450	..
Excelsior Life, 30% Pd.	110	..
Federal Fire, 25% Pd.	40	..
Fidelity of Canada, full pd.	140	150
Great West, Full Pd.	525	..
Imperial Life, 85% pd.	425	..
Manufacturers Life, 45% Pd.	425	475
Monarch Life, 10% Pd	41	45
Montreal Life, 20% pd.	65	..
National Life, 25% Pd.	70	75
Ontario Equitable, 10% Pd.	36	39
Security Life, 45% Pd.	10	20
Sovereign Life, 25%, pd.	57	65
Sun Life, 75% pd.	1750	1850
Toronto Casualty	27	30
Western Assurance	62	..

Mortgage, Loan, Etc.

	Bid	Asked
B. C. Permanent Loan	$103.00	$ ....
British Mortgage & Trust	208.00	....
Capital Trust	56.00	64.00
Chartered Trust	83.00	86.00
Commercial Finance, com.	25.00	28.00
Commercial Finance, pref.	80.00	....
Debentures & Sec., com.	66.00	....
Debentures & Sec., pref.	65.00	....
Lambton Loan & Savings	82.00	....
London Loan & Savings	45.00	50.00
Mfg. Finance pfd., bonus, c.	6.50	7.25
Midland Loan & Savings	16.00	....
Mortgage Discount, pref.	6.25	7.00
Mortgage Discount, com.	40	.65
Standard Trusts Co.	36	39
Mutual Finance, com.	6.50	7.50
Mutual Finance, Pref.	6.50	7.50
Peoples Loan & Savings	79.00	....
Sherbrooke Trust Co.	106.00	.....
Saskatchewan Mortgage	31.00	....
Sterling Trust Co.	94.00	....
Toronto Finance, pref.	....	3.50
Waterloo Trust & Savings	103.00	....

Club Shares

	Bid	Asked
Bayview Golf	$	$ 35.00
Lakeview Golf	45.00	65.00
Lake Shore Golf	....	25.00
Lambton Golf	410.00	450.00
Mississauga Golf	20.00	35.00
Rosedale Golf	125.00	150.00
Summit Golf	20.00	....
Thistledown Golf	....	55.00
Thornhill Golf	70.00	95.00
Toronto Winter Club	35.00	....
Weston Golf	75.00	90.00
York Downs Golf	260.00	300.00

Recent London Quotations

	Sales
Calgary Power	55
Hudson's Bay	84s. 7½d.
Hudson's Bay, 5% pref.	95s. 7½d.
Can. West Lumber	7s. 6d.
Standard Chemical, 7%	21
Dominion Tar	41s. 3d.
Mond Nickel	110s.
Lake Superior	3

Recent Vancouver Quotations

	Sales
B. C. Telephone, pfd., new	105½b.
Pacific Coyle, com.	13a.
Gosse Packing, com.	51b.
Do. pref.	65b.

Recent Winnipeg Quotations

	Bid	Asked
Beaver Fire Co.	120	..
Can. Fire Ins. Co.		110
Home Inv. and S. Assn.	74	75
N. Mtge., fully paid	80	..
N. Mtge., 50% paid	36	..
Northern Trusts Co.	42	..
Standard Trusts Co.	34½	37..
No. Star Oil Co., pref.	5.10	5.15
No. Star Oil, com.	3.00	2.50

Stock Market Record

WEEK ENDING DECEMBER 20

	Div. Rate	Yield Dec. 19	High for wk.	Low for wk.	Close Dec. 20	Close Dec. 17	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	4.72	277	275	277	276	286	295	228
Dominion	12+1	4.90	265	262	265	265	119	275	217
Can. Nationale	10	5.26	190	190	190	186	5	198	160½
Imperial	12+1	5.28	247	246	246	248	93	256	214
Montreal	12+2	4.23	332½	330	332	331½	279	355½	272
Nova Scotia	16	4.27	377	372	377	374	123	399	298
Royal	12+2	4.23	335	328	335	327	995	344	257
Standard	12	5.10	238	235	237	238	75	250	196
Toronto	12+1	4.81	273	270	272	272	100	287	227
Paper—									
Abitibi, com. (no par)	5	3.57	140	138	139¾	140	1794	142½	82
Do. pref.	7	5.64	..	...	...	...	...	125	113
Belgo-Can., pref.	7	6.36	110	109	110	108½	196	110	101
Brompton (no par)	$2	3.62	56	53	55¼	56	4269	64	31
Fraser, pref.	7	5.03	138⅞	132	133	131	983	141	96
Inter. Paper, c. (no par)	$2.40	3.15	78¼	72¾	73½	76⅛	39900	81½	39½
Do. pref.	7	6.25	112⅛	108⅝	108⅝	112½	430	112½	98⅞
Laurentide	6	5.26	114	111	112½	111¾	6872	116	90
Port Alfred Pulp, com.	.	...	89¾	87	89½	87	1682	90	55
Do. pref.	7	6.79	103	101½	102½	101½	370	103	95
Price Bros., com.	2	2.51	80¾	78	79	78	4220	80¾	51¼
Do. pref.	6½	6.29	105½	103¼	103¼	105	242	105½	100
Smith, Howard, com.	.	...	70¼	70	70	70	148	75	59
Do. pref.	8	6.83	117	116	117	116½	74	117½	103½
Spah. River, com.	7	5.30	139	137½	139	138½	285	142½	97⅛
Do. pref.	7	4.66	151	150	150	150	594	160	110¼
Wayagamack (no par)	$3	2.69	114	105	111	114	4230	123½	46¼
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1½	1	1⅛	1½	290	3½	½
Do. 1st pref.	.	...	29	28¾	28¾	29½	110	35¼	10
Do. 2nd pref.	.	...	4	3½	3½	4	1850	6½	1
Can. Car & Found., com.	.	...	50¾	48½	49	50½	1060	55¼	35
Do. pref.	7	7.54	92¾	92	92	92	462	94½	85½
Can. Fairbanks, pref.	6+3x	5.76	..	...	...	...	...	104	80
Can. Forgings, com.	.	...	..	...	...	...	...	27	17
Do. pref.	.	...	70	68	70	70	75	87½	66
C.G.E., com. (par $50)	.	...	69	67	69	65	106	69	49
Do pref. (par $50)	7	5.73	62	61	61	61	28	63	55
Canada Iron, com.	.	...	..	...	...	...	...	28	12
Do. pref.	4	6.95	..	...	...	...	...	60	42
Can. Locomotive, com.	.	...	..	...	...	...	...	48	25
Do. pref.	7	9.72	71	70	70	75	6	89	70
Dominion Bridge	.	...	74½	72½	74⅜	72½	12187	76	57
East. Steel Prod. (no par)	.	...	24	20½	24	20	1190	24	20
Dominion Coal	.	...	79	77	79	79	15	85	67
Dominion Iron, pref.	.	...	4	4	4	4	40	5	1½
Dom. Steel Corp., pref.	.	...	43¼	42	43¼	44	45	44	20
Ford Motor	15	...	..	...	...	...	...	475	436
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	...	5½	5½	5½	5	5	15	4
Do. pref.	7	14.00	..	...	...	...	...	95	50
Massey-Harris, c. (no par)	.	...	39¼	36¾	38¼	36½	10483	42¾	29
Do. pref.	7	6.43	109	108¾	109	109	196	109¾	103½
McKin. Ind., c. (no par)	.	...	24	23½	24	23½	230	25½	15
Do. pref.	7	7.17	98	97½	97½	97½	68	98	93¼
Do. Vot .Trust	.	...	24	23½	24	23½	600	26¾	15
Ontario Steel, com.	6	5.04	..	...	...	...	...	119	73
Do. pref.	7	6.25	..	...	...	...	...	115	100
Page Hersey, c. (no par)	$3	3 44	88½	85	86	85	3206	90	55½
Do. pref.	7	4.01	176	172	172½	172	445	180	116
Pressed Metals, com.	$3	6.97	45	45	45	43	10	64	34¼
Do. pref.	7	7.60	..	...	...	...	...	97	85
Russell Motor, com.	4	6.66	60	54	60	54	25	60	52
Do. pref.	7	7.21	97	95	97	95	125	99	90⅛
Steel of Canada, com.	7	3.88	180	177½	177½	177	365	222	117
Do. pref	7	3.88	180	177⅛	180	179	47	205	127
Milling, Foodstuffs and Merchandising—									
Alta. Pac. Gr., c. (no par)	.	...	54	52⅝	53	54¼	1335	58⅝	19½
Do. pref.	7	7.21	97¾	96	96	97½	240	98	85
Arnolds, c. (no par)	.	...	18	17	17	17	932	26	10½
Do. pref.	.	...	..	...	...	...	...	95	81
Atlantic Sugar, c. (no par)	.	...	22⅞	21	22⅞	22	80	32	17½
Do. pref.	.	...	..	...	...	...	...	101¼	85
B.C. Fishing, c. (no par)	$1.25	9.61	14	12½	13	17	770	22	12¼
Do. pref.	7	9.09	77⅝	76	76	77	458	90	72⅝
Can. Bak., c. (no par)	.	...	40	39	39½	40	150	42⅛	26
Do. pref.	7	6.69	104½	103½	104½	104	55	106	97
Can. Bread, c. (no par)	$6	3.75	160	158	160	160	165	172	90
Do. pref. (A)	7	5.88	118	117	118	119	12	125	108½
Do. pref. (B)	7	6.43	110½	107¾	109	110	60	115	103
Can. Canners, com.	.	...	94	90	93	95	792	95	21
Do. pref.	5	4.31	117½	114½	116	118	3038	119	76
Canadian Salt	8	5.12	..	...	...	...	...	156	123
Christie Br., c. (no par)	$1.20	1.71	71	70	70	70	220	73	38
City Dairy, c. (par $25)	3+1	1.88	216	211½	212	215½	1091	222	79
Do. pref.	7	5.78	122	121	121	125	14	128	112
Cuban Can. Sugar, c.	.	...	3¾	3¾	3¾	3	25	5	1¼
Do. pref.	.	...	..	...	...	...	...	37	26
Wm. Davies (A) (no par)	.	...	43	42½	42½	42¾	360	45	25
Do. (B) (no par)	.	...	..	...	...	...	...	20¼	9
Dominion Stores (no par)	$2.40	2.33	104	103	103½	105½	265	107	65
Ham. Dairies, c. (no par)	.	...	52	51	51	51	120	55	24
Do. pref.	7	6.86	103	102	102	102½	45	103	95¼
Hunt's, c. (no par)	.	...	45	44	45	44	152	45	20
Do. pref.	7	7.29	..	...	...	...	...	96	90
Inter. Milling, pref.	7	6.54	107	106¼	107	107	237	109½	104
Lake of Woods, c.	12	6.89	189	172	173½	190	2857	198½	130
Do. pref.	7	5.83	..	...	...	...	...	120	110
L. Secord, c. (no par)	.	...	..	...	...	...	...	47½	26
Do. pref.	7	5.60	126	125	125	125	25	140	102
Loblaw, com. (no par)	$1	1.05	96	95	95¼	95	111	100	48
Do. pref.	7	5.18	135	135	135	134	30	135	107
Maple Leaf Mill., c.	.	...	106	104	106	105	330	110½	49
Do pref.	7	6.76	105	103¼	105	104	593	105	94
Muirhead's, c. (no par)	50c	3.44	14¾	12¼	14¾	12⅛	2505	14¾	8⅞
Do. pref. (par $10)	75c	4.68	16¼	14¼	16¼	14	534	16¼	10⅞
Nat. Grocers, pref.	8	7.96	100½	98	98	99½	28	101	98
Ogilvie Flour, c. (no par)	5+10	3.65	410	399	410	400	35	435	205
Do. pref.	7	5.03	139	139	139	140	1	145	120¼
Pure Gold Mfg. (no par)	$1.50	6.82	..	...	...	...	...	22	19½
Shred. Wheat, c. (no par)	$3	4.11	74⅛	71	73	73⅞	1731	74¾	55
Stanfords, c. (no par)	$1	4.00	25½	25	25¼	25	45	26¼	19
Do. pref.	7	7.48	93½	92½	93½	92½	30	93½	88½
St. Law. Flour, c.	.	...	40	38	39	39	115	45¼	25
Do. pref.	7	7.77	90	89¾	90	90	40	90½	79½
Viau Bisc., c. (no par)	.	...	16	16	16	15	30	26	15
Do. pref.	7	8.23	85	85	85	86	55	92½	83½
W. Can. Fl., c. (no par)	$1.40	3.78	37⅞	37	37⅞	37	165	41⅞	22
Do. pref.	6½	6.32	103	102	102¾	102	71	106	100
W. Groc., c. (no par)	$1	5.26	20¼	19	20	19	182	29	13
Do. pref.	7	9.00	78	77	77	77	112	84	74¼
Utilities—									
Bell Telephone	8	5.06	158	153	156	156	680	159⅜	137
Calgary Power	5	5.00	100	100	100	50½	4	100	50
Consumers Gas	10	5.12	195½	193½	195½	195	559	199	171½
East Koot. Pr. (no par)	.	...	26	26	26	26½	2	29¼	25
Do. pref.	7	7.00	..	...	...	...	...	100	95
Inter. Util. (A) (no par)	$3.50	7.03	51½	49	50	51¼	4410	52½	28
Do. (B) (no par)	.	...	10¾	9⅝	9¾	10¾	20911	13½	4½
Jamaica Pub. Ser., pref.	7	6.66	105	104	105	103	34	105	97
Laurentide Power	5	3.57	..	...	...	...	...	150	105
Mackay, com.	7	5.98	117	115	116	115½	363	132½	108
Do. pref.	4	5.73	70⅝	67	69½	69¼	530	74	67
Mexican Light, c.	.	...	..	...	...	...	...	52	27
Do. pref.	3½	...	70	70	70	71	10	120	67
Mont. L H & P (no par)	$2	2.22	90¼	89½	90	90	2187	96¾	68⅛
Montreal Teleg. (par $40)	8	6.00	54	54	54	53½	10	54	49
Nor. Mexico Pr., c.	4	5.19	81	75	81	81	212	83	42
Do. pref.	7	7.25	..	...	...	...	...	96½	82½
Ot. & Hull Pr., c. (no par)	.	...	42	35	35	42	6	42	26
Do. pref.	7	6.96	100½	100½	100½	100	10	100½	96
Ott. L. H. & Pr., c.	6	4.41	139	136	136	139	302	141½	98½
Do. pref.	6½	6.10	106½	106½	106½	108	2	108¾	101
Power Corp., c. (no par)	.	...	74¾	73	73	73¼	3633	80¼	37¼
Do. pref.	6	6.00	100	99	100	99¼	459	100	94
Quebec Power, c.	.	...	84½	82½	84	83	4296	87½	72
Shawinigan (no par)	$2	2.24	89¾	85½	88	87	7212	94¾	67
S. Can. Pr., c. (no par)	$3	2.67	112	110	112	112	562	140	85
Do. pref.	6	5.66	108	105	106	106	47	113	99½
Transportation—									
Can. Pacific Rly.	10	4.62	218	213	213	215	175	218	166
Can. Steam, c. (no par)	.	...	36⅞	35	35	37	135	42	34
Do. pref.	6	6.52	94¼	90½	92	94	919	96½	82½
Do. voting	.	...	34	34	34	33	100	37½	31
Tractions—									
Barcelona (par $50)	1	...	63	63	63	67	3	68¼	33½
Brazilian, c.	6	2.70	223½	213½	219	214	36187	234⅞	102½
Do. pref.	6	3.26	184	177	183	179	760	197	104
Detroit Un. Rly.	.	...	..	...	...	...	...	5	1
Duluth-Superior	$2	9.09	22	22	22	22	220	30⅞	21
Minneapolis S.S.	.	...	..	...	...	...	...	43½	42¼
Mexican Trams.	.	...	..	...	...	...	...	21	19¼
Montreal Trams.	10	5.26	195	190	190	196	20	200	169
Ottawa Traction	4	5.88	70	68	68	70	50	70	64
Porto Rico Rlys., c.	$3	4.30	..	...	...	...	...	70⅝	59
Do. pref.	7	7.21	..	...	...	...	...	100	90
Twin City, c.	4	7.61	53	51	51	52⅛	938	66	45
Do. pref.	7	6.71	104¼	103	104¼	102	35	104¼	100
Winnipeg Elec., c.	2	2.02	99	97	97	97	936	104½	60¾
Do. pref.	7	6.36	110	108	109½	109	313	110	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	6.34	65¼	63	65¼	64¼	73	69	36
Can. Converters	7	6.57	106½	105	105	107	61	109	92
Can. Cotton, com.	8	5.71	140	140	140	135	25	140	115
Do. pref.	6	5.76	104	104	104	104	5	104	95
Can. Woollens, com.	.	...	16	16	16	16	5	19	5
Do. pref.	.	...	83	82	82	82	50	89	59¾
Cosmos Imp., c. (no par)	.	...	26¼	25¾	25¾	26	348	31½	18
Do. pref.	7	7.00	100	98	100	100	58	103	91¼
Dom. Textile, c. (no par)	$5	3.90	132	128	129	130	592	135⅞	105
Do. pref.	7	5.55	..	...	...	...	...	128	115¾
Monarch Knit, c.	.	...	37½	37½	37½	35½	15	37½	7½
Do. pref.	.	...	..	...	...	...	...	54	45
Montreal Cottons, c.	6	5.00	120	120	120	115	1	120	110
Do. pref.	7	5.69	123	119	123	119	268	123	114
Penmans, c. (no par)	$4	4.04	102½	94	102½	93	2500	108	70
Do. pref.	6	5.71	105	102	104½	101	17	105	101
Wabasso Cotton (no par)	6	4.78	..	...	...	...	...	137	84
Zimmerknit (no par)	.	...	24½	24	24½	23½	465	28½	18
Do. pref.	7	7.36	95	90	93	90	47	95	89½
General Industrials—									
Amer. Sales, c. (par $20)	4	5.40	74	74	74	72	65	78	60
Do. pref.	7	6.42	109	107½	109	107	75	109	97½
Asbestos Co., c. (no par)	.	...	34	33	33	34¼	1307	39¾	20
Do. pref.	7	7.40	96	94	96	96	987	102¼	82¾
Brant Cd., pfd. (par $25)	8	...	16½	14	14	17	365	25	14
Building Products, com.	$1.20	4.00	30½	28	30¼	28	15425	31	23¼
Do. pref.	7	6.76	104	103½	103½	104	20	105	93½
Burt, F. N., c. (par $25)	$3	4.34	69½	68½	69	70	365	71	56½
Canada Cement, c.	.	...	33¼	31	33	32	21431	35¾	30
Do. pref.	.	...	99½	98	98¾	98	2096	101½	93
Can. Oil, c. (no par)	$1	2.18	48½	45	45	48	1160	48½	21
Do. pref.	8	5.99	135¼	133½	133½	135	137	137	115½
Can. Bronze, c. (no par)	.	...	65	59	61½	59½	5920	65	43
Do. pref.	7	6.36	110	109	109	109	206	110½	98½
Conduits, com. (no par)	.	...	..	...	...	...	...	32¼	23
Do. pref.	7	6.86	102	102	102	100	25	102	92
Cons. Smelters (par $25)	10+10	7.57	264	256	264	265	4012	274½	215
Crow's Nest Coal	6	10.00	62	54	60	53	284	71½	50
Dom. Glass, c.	7	5.37	134	128¾	130	133	464	144	104
Do. pref.	7	5.83	121	120	120	120	20	125	111¼
Dom. Rubber, pref.	7	...	..	...	...	...	...	75	75
E. Theat., c. (par $25)	$2	6.66	30	28¼	30	28	95	30	24
Do. pref.	7	7.21	..	...	...	...	...	100	92
Famous Players, com.	.	...	50	48	48	50	20	51½	20
Do. pref.	8	7.84	103	101	101¾	102	210	104	93½
Gilman, com.	6	5.71	106	105	106	105	40	112	105
Do. pref.	7	6.19	..	...	...	...	...	125	110
Goodyear Tire, com.	$5	3.78	133½	132	132	133	190	140	85½
Do. pref.	7	6.66	106	104¼	104¾	106½	561	109	94½
Gotfredson, c. (no par)	$1.50	...	15	15	15	...	132	15	15
Ham. Un. Theatres, com.	.	...	7	6⅞	7	8	60	35½	6⅞
Do. pref.	.	...	..	...	...	...	...	85	81½
Hayes Wheel, c. (no par)	.	...	28½	27¾	28	26	182	34¾	26
Do. pref.	7	7.00	100	100	100	101	10	101	91
Holt, Renfrew, c.	.	...	..	...	...	...	...	45	43
Do. pref.	7	7.44	..	...	...	...	...	94	85
Inter. Nick., c. (par $25)	$2	2.51	79⅝	72	79½	75	112786	79⅝	38
King Edward Hotel	$3	5.76	59	50	59	50	357	60	20
Lyall Construction	.	...	49	48	48	50	105	63	25
Loew's, com.	.	...	..	...	...	...	...	47	38
Do. pref.	7	6.79	103	103	103	100	18	105	96½
National Brick, com.	.	...	..	...	...	...	...	10	4
Do. pref.	6	10.00	60	60	60	60	1	81	56
Pacific Burt, com.	6	5.00	120	117	120	117	30	120	87
Do. pref.	7	5.83	120	120	120	120	10	120	99¾
Port Hope San., com.	4	2.00	200	200	200	175	15	200	125
Do. pref.	7	6.03	116	115	116	111	68	116	90
Rogers, Wm., com.	.	...	..	...	...	...	...	80	64
Do pref.	7	7.00	100	100	100	100	10	102	92
Sher-Williams, com.	6	3.33	..	...	...	...	...	207	142
Do. pref.	7	5.60	127	125	127	125¼	3	127	117
Standard Chem., pref.	.	...	..	...	...	...	...	26	15
Sterling Coal	.	...	..	...	...	...	...	36	20
St. Maur. V., c. (no par)	.	...	77½	74	74	75	1644	82	47
Do. pref.	7	6.82	103½	102	102	105	595	105¾	94½
Tooke Bros., com.	.	...	17	12	17	18⅛	136	17	5
Do. pref.	7	10.00	70	69	70	65	67	72½	65
Tuckett Tobacco, com.	4	4.21	95	95	95	95	100	100	69
Do. pref.	7	6.08	..	...	...	...	...	116	103¾
Woods Mfg., com.	.	...	..	...	...	...	...	46	39
Do. pref.	7	9.03	77¾	77½	77¾	77½	50	89	75
Beverage—									
Brading Brew. (no par)	$2	...	..	...	...	...	...	35½	20
Brew. & Distil. (par $5)	15	1.42	17⅝	15	17⅝	14	730	18	4½
Can. Brewing (no par)	$2	5.40	38	35¼	37½	35½	6111	39½	22¼
C. Ind Alc. (no par)	$1.52	4.00	39	37	38	39	18115	43⅞	21¼
Can. Malting (no par)	.	...	37¾	35¾	36	37	8080	38	27¾
Carling Brew. (no par)	$2	5.09	39¼	36½	38⅜	36½	11507	39¼	22⅞
Cosgrave Brew. (par $10)	6	7.05	8¾	8½	8½	8½	890	12	6
Com. Alcohol (no par)	$1	3.33	..	...	...	...	...	70	15
Do. pref.	8	7.61	..	...	...	...	...	110	103
Good. & Worts (no par)	$1+25	2.00	..	...	...	...	...	64	43¼
Chas. Gurd, com.	$2	2.22	95	79	94	79	12761	95	28⅞
Do. pref.	7	6.66	106	105	106	105	30	106	93
Hiram Walker (no par)	$2	3.17	64	61⅞	62½	63½	12774	65	28½
Do. Rts.	.	...	1.40	1.20	1.30	1.30	9996	1.40	1.00
Lake Ont. Brew. (no par)	$2	8.70	24	23	24	23	240	31½	18
Nat. Brew., c. (no par)	4	3.84	105	101	104	104	3865	110½	65
Do. pref.	7	5.73	122	122	122	122	5	122	105
Nat. Distilleries	.	...	20	19½	19½	20	615	24	19
Seagram (no par)	.	...	25½	24	25½	25½	6110	28⅞	15
Toronto Brew. (no par)	.	...	10	9½	9½	10	445	13⅛	8
Trust and Loan—									
Can. Landed (par $50)	10+1	4.70	..	...	...	...	...	118	94
Can. Permanent	12	5.21	230	228	230	231	8	235	216⅛
Colonial Invest. (par $10)	6	...	..	...	...	...	...	7	5
Econ. Invest. (par $50)	4	3.33	..	...	...	...	...	60¼	53
Huron & Erie	7+½	4.93	152	152	152	149	20	152⅛	139
Landed Banking	10	5.00	..	...	...	...	...	200	161
Mont. Loan (par $50)	12+1	6.76	..	...	...	...	...	52¾	47
National Trust	12+1	5.09	..	...	...	...	...	255	232
Ont. Loan (par $50)	12	5.00	..	...	...	...	...	120	111
Real Estate Loan	7	6.54	..	...	...	...	...	107	100
Toronto Gen. Trusts	12	4.52	266	265	266	260	10	266	220
Toronto Mtge. (par $50)	10+1	5.09	..	...	...	...	...	110	100
Union Trust	7	5.38	..	...	...	...	...	130	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	...	..	...	...	...	...	98¾	98
Asch, com. (no par)	.	...	30	30	30	30	10	34½	27½
Do. pref.	.	...	93	93	93	93	25	94	93
Attendu Engine (par $1)	.	...	14	9½	13⅛	10	829	35½	8
B.C. Oilfields (par $5)	.	...	..	...	...	...	...	2¾	2
Beacon Oil	.	...	15	14½	15	14½	585	20¾	13
Belding, com.	6	7.50	..	...	...	...	...	88	67
Do. pref.	7	7.14	98	98	98	98	10	100	96½
Brit. Am. Oil (no par)	80+20c	2.77	36¾	35¾	36	36¼	11834	39⅞	20
Can. Celanese (no par)	.	...	70½	61	70½	60½	837	85½	52¾
Do. pref.	.	...	91⅞	90	91¾	90	205	95	88
Can. Light & Power	.	...	..	...	...	...	...	55	20
Can. Nor. Pr., c. (no par)	.	...	..	...	...	...	...	75	42
Do. pref.	7	6.93	102	101	101½	102	55	102	97
Cockshutt, pref.	4	3.62	111½	105	109	105	3804	115½	67
Continental Oil	$1	5.26	19⅛	19	19	18⅞	690	22¼	16½
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	14	10¾
Do. pref.	4	...	..	...	...	...	...	55	50½
Dom. Engineering	$2	3.77	54	50	53	49	580	60	45
Dom. Power, pref.	7	6.93	..	...	...	...	...	102	100
Dryden Power (no par)	.	...	32	27½	31⅞	27	9470	32	9½
E. Dairies, c. (no par)	.	...	55¾	54	54	55	695	57¾	20½
Do. pref.	7	7.00	101	100	100	100	15	101	94
Eng. Elec., c. (no par)	.	...	..	...	...	...	...	18	11
Do. pref.	.	...	75	73½	73½	74½	27	95	72½
Farm. Dairy, c. (par $50)	$2	...	268	266	266	270	19	280	220
Do .pref.	7	6.36	..	...	...	...	...	110	105
Foothills Oil	.	...	..	...	...	...	...	3.25	2.00
Foreign Pr. Secs. (no par)	.	...	43	40	40	43	640	46	29
Frontenac Oil	.	...	33½	30⅞	31	32¼	7440	40	23½
Illinois Power, pref.	7	6.96	..	...	...	...	...	101½	98
Imperial Oil (no par)	$1.50	2.50	61½	59	59½	61½	4993	64½	37¾
Imp. Tob., c. (par $5)	6+1½	4.11	9¾	9¼	9½	9¼	11110	11	6¾
Inter. Petrol. (no par)	75c	2.22	37½	36	37	36¾	16250	39½	28
Inter. Power, com.	.	...	41½	40	40	42	633	50	40
Do. pref.	7	7.34	96	94¼	95¼	96	137	97	85
Kemsley	.	...	16⅛	16⅛	16⅛	16¼	125	17⅝	14⅝
Loew's London, com.	3	...	5½	4¾	5½	7¾	10	7¾	4¾
Manitoba Power (no par)	$2	2.29	87	84	87	88	67	96½	50
Do. Rts.	.	...	12	10	10	12	437	17	8½
McColl, c. (no par)	80+50c	2.03	64¼	63¾	64	63¾	3495	64½	22½
Mitchell, J. S.	.	...	40	34	39½	30	1227	40	28
Mount Royal, com.	.	...	..	...	...	...	...	6	3
Do. pref.	6	...	..	...	...	...	...	55¾	40
North. Bak. (no par)	.	...	43½	40	43	40½	6704	45½	25
N. Star Oil, c. (par $5)	.	...	2.25	2.00	2.25	2.00	678	2.55	1.55
Do. pref. (par $5)	7	...	5.00	5.00	5.00	5.00	400	5.01	4.90
N.S. Car, com. (no par)	.	...	39½	38¾	39½	39¼	1371	45	18¼
Ott. Mtl. Pr., c. (no par)	.	...	..	...	...	...	...	25	19
Do. pref. (par $50)	7	...	..	...	...	...	...	53¾	47
Ott. Riv. Pr. (no par)	.	...	..	...	...	...	...	26	23
Paton Mfg., c. (no par)	.	...	..	...	...	...	...	60	50
Do. pref.	.	...	..	...	...	...	...	100	95
Perfection Glass	.	...	4	3½	3½	3	570	8	3
Photo Engravers (no par)	.	...	34	33	33	33½	715	35	31
E. L. Ruddy, pref.	.	...	101	100	101	...	160	101	101
Service Stn. Equip.	$1.60	4.84	33¾	32	33¼	33¼	1215	35	31
St. Maur. Power	4	2.31	..	...	...	...	...	174	96
Simpson, Robt., pref.	6	5.82	..	...	...	...	...	103	100
Sovereign Secs. (par $5)	.	...	..	...	...	...	...	2.00	1.50
St. Law. Pap., c. (no par)	.	...	103	99	102	100	1641	108	35
Do. pref.	8	6.83	117	117	117	117	11	117	104
Standard Clay	.	...	..	...	...	...	...	40	38
Supertest Pet., c.	50+50c	1.81	59	53	59	52	155	59	35
Do. pref.	7	7.29	97	95	96	94¾	30	97½	92½
United Secs., com.	.	...	64½	64	64	64½	275	70½	43½
Do. pref.	6	5.76	105	104	104	104	220	118	103¼
Volcanic Oil	$1.40	5.00	..	...	...	...	...	47¼	23
Venezuelan Pete. (par $5)	.	...	..	...	...	...	...	7½	6½
Wallace Sand	.	...	..	...	...	...	...	3	2¼
Wolthausen (no par)	.	...	..	...	...	...	...	25	20

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Pulp & Paper

Canada's Paper Trade Widens With Australia

Improved Relations with Antipodes Entered Into at End of 1925 Have Assisted Dominion Materially in Her Export of Pulp

From Our Own Correspondent

MONTREAL.—Under the improved trade relations entered into with Australia toward the end of 1925, the Canadian paper industry has widened its business in the Commonwealth very materially. The betterment in the trade relations has met with the approval of business interests generally because of the predominant position occupied by the pulp and paper industry. It can be said that industrially, as the pulp and paper industry goes, so goes the country.

The following figures reveal the increasing market which the Canadian pulp and paper mills are finding for their output in Australia; the figures show the pulp and paper exports to that country over the past eight years:

Fiscal Year	Total Paper $	Newsprint Tons	Book Paper Cwts.
1920	2,988,332	32,173	9,526
1921	5,928,130	37,120	8,538
1922	2,894,679	26,968	1,685
1923	3,309,073	30,201	31,093
1924	1,120,189	1,974	23,674
1925	849,337	585	4,322
1926	1,665,646	11,980	12,924
1927	3,236,132	35,617	27,305

The figures in the foregoing, of course, are for the fiscal year; the newsprint industry during the current year expects to send 50,000 tons of newsprint to Australia. So the growth in this market is still being continued. A further growth in the market for book paper in Australia can also be anticipated.

In 1923 and the preceding year, it will be seen that Canada exported to Australia about the same amount of paper as was sent to that country during the fiscal year ending March 31, 1927. The reason why the Dominion was able to export so much paper to Australia lay in the fact that in the war Great Britain, to a very large extent, lost her overseas market. Among these markets was the Australian paper market. It was not really until towards the end of 1923 that the British paper mills really got on their feet again and were able to recapture some of their lost ground. Thus, in 1924, and more so in 1925, exports of paper from Canada to Australia dwindled more than rapidly.

On October 1, 1925, the Australian Trade Treaty went into effect. While only six months of the 1926 fiscal year were affected, yet it can be seen how the treaty beneficially affected the Canadian pulp and paper industry and through this industry Canadian business in general. In 1927 exports again increased and will show a further increase at the end of the next fiscal year.

One of the results of the treaty was the installation in 1926 of two new paper machines by the Powell River Company in British Columbia. This expansion was undertaken mainly to supply the Australian market. It doubled the output of the plant and provided increased employment for a large number of men, both in the mills and in the woods operations of the company.

The pulp and paper industry is by far the predominant contributor to the favorable trade balance which this country enjoys. The exports to Australia since the bettered trade relations have been in existence, are no small factor in the prosperity of the industry as a whole, more especially with the prevailing hesitancy in the demand for newsprint paper.

WAYAGAMACK PULP SHOWS BETTERMENT

Working Capital is Larger and Balance Sheet Stronger

From Our Own Correspondent

MONTREAL.—The annual report of the Wayagamack Pulp and Paper Company for the fiscal year ending November 30, shows an all-round betterment in the position of the company. Gross profits and net earnings applicable to the common stock have increased. The working capital is larger and the balance sheet position is stronger. The showing is the more significant in view of the reduced earnings experienced this year by companies engaged solely in the manufacture of newsprint.

The following figures compare the income account and working capital position figures of the company over the past three years:

	1927	1926	1925
Net profit	$1,420,462	$1,350,266	$1,189,268
Depreciation .	160,000	160,000	160,000
Depletion	135,320	136,784	111,542
Bond interest .	397,500	397,500	336,811
Bond dis.	......	......	20,000
Net inome ...	$ 727,643	$ 655,982	$ 560,915
Other income .	......	500,000	......
Total	$ 727,643	$1,155,982	$ 560,915
Dividends	375,000	......	......
Surplus	$ 352,643	$1,155,982	$ 560,915
From gen. res.	......	......	233,757
Prev. surplus .	2,637,946	1,981,964	1,197,292
Total	$2,990,589	$3,137,946	$1,981,964
To gen. res. ..	......	500,000	......
P. L. surplus .	$2,990,589	$2,637,946	$1,981,964
Earn. per sh. .	$7.27	x$6.56 xx$11.56	$5.61

xEarned on stock from operations.
xxEarned on stock including profit from other sources.

Working Capital Position

	1927	1926	1925
Cur. assets ..	$4,211,393	$3,651,824	$2,782,570
Cur. liab.	1,066,284	685,922	721,346
Work. cap. ..	$3,145,109	$2,965,902	$2,061,224

Profits on Anticosti

The foregoing 1926 income figures show an item of $500,000 under other income, which represents profits on the Anticosti Island deal; this can hardly be included amongst annual earnings on the capital stock. Thus, the actual earnings per share last year amounted to $6.56 and not to $11.56.

The balance sheet shows an increase of over $800,000 in total assets. Cash on hand stands at $869,450, well over twice the figure of last year. Investments are up from $36,677 a year ago to $72,754. The plant account has increased by some $370,000, but property account, which includes timber limits less depreciation, is down $135,000.

In the liabilities, the bonds outstanding have been reduced by nearly $100,000 during the year and the depreciation and profit and loss accounts show the satisfactory increases noted in the foregoing income account figures. In the current liabilities is included for the first time an item of $75,000, being dividends payable.

In his report to the shareholders C. R. Whitehead, the president, says that the construction of a dock and wood-handling plant for unloading pulpwood from the island of Anticosti is now in progress. The dock, when completed, will provide facilities for the more economical handling of all incoming or outgoing cargoes from the plants. The expenditure made under this head has been added to plant account and doubtless accounts for the larger figures at which this item is carried on the balance sheet this year.

Continental Paper Advised to Accept

From Our Own Correspondent

MONTREAL. — The investment banking houses originally responsible for underwriting the 6 per cent., mortgage bonds of the Continental Paper and Bag Mills Corporation have advised the holders to accept the offer of the International Paper Company for the exchange of bonds into the preferred shares of International Paper.

By the terms of the offer, the International Paper Company agrees to exchange eight and a quarter shares of its 7 per cent. preferred stock for each $1,000 in Continental Paper and Bag Mills Corporation, 6½ per cent., first mortgage bonds.

The International Paper Company controls the Continental Paper and Bag Mills Corporation, which has not been successful in recent years.

The International Paper Company only agreed to make the exchange provided ninety per cent. of the bonds were deposited with the trustees before December 15. Sufficient of the bonds, however, were not deposited and the date of the offer has been extended to January 16, 1928.

Lake St. John Power & Paper Now Ready for Production

From Our Own Correspondent

MONTREAL.—The Lake St. John Power and Paper Company, at Dolbeau, P. Q., has already turned over one of its paper machines. Paper has not yet been produced, but the machinery is now being turned over and tuned up prior to actual production.

The plant has a rated capacity of 220 tons daily but naturally until its machines are properly adjusted, it will not be able to produce to capacity. As the entire output of the mills is under contract to the Hearst papers in the United States, it should not be many weeks after production begins before the plant attains the 220 tons a day level.

The opening of the new plant north of Lake St. John opens up and colonizes a district which only a few years ago was regarded as practically uninhabitable. The enterprise has brought the railway from St. Felicien on the south west of Lake St. John through a region where travel hitherto was almost impossible, the country being unsettled. At the mills there is now a flourishing town of 1,200, composed principally of French-Canadians. Within a year it is expected that the population may treble. The development of the chief industry in the territory has brought in several smaller concerns and in the town there is now school accommodation and two banks.

Bathurst Company is Coupled with St. Lawrence Paper Mills

From Our Own Correspondent

MONTREAL.—The negotiations leading to the acquisition of the Bathurst Company by new interests still seem to be in a tangle, but the prevalent belief is that the Nesbitt, Thomson & Co. interests, if they do not already control the company, own stock to an extent but little below fifty per cent. of the outstanding shares. Nothing but rumor surrounds the negotiations, the latest of which is that the operations of Bathurst might be consolidated with those of the St. Lawrence Paper Mills.

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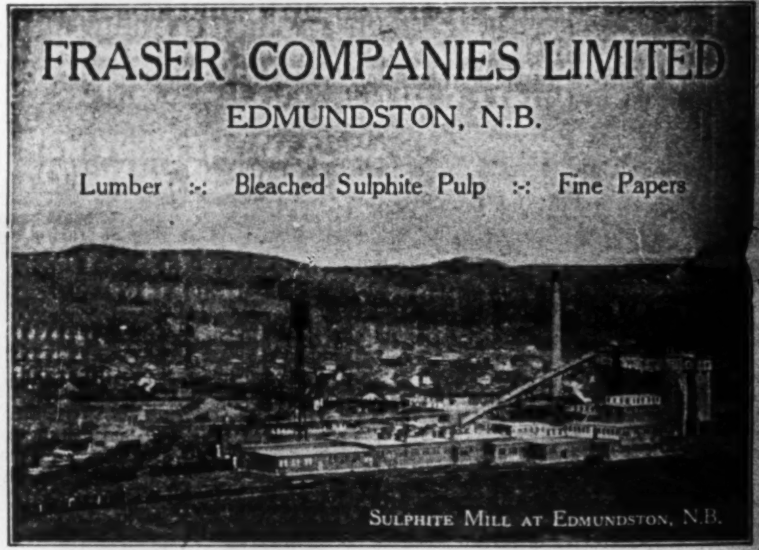
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The Forest Industries of Quebec

Adequate Forest Policy Necessary to Avert Depletion of Resources

By B. K. SANDWELL. Article Four

In all the chain of argument, intended to convince the average resident of the Province of Quebec that he has a personal interest in the adoption and carrying out of a complete and adequate forest policy by the province, no point is more vital, and none more difficult to establish in the average citizen's mind, than the fact that without such a policy the depletion of the forest resources, to a point that would seriously embarrass and restrict the forest industries, is a certainty of the very near future.

Most of the present generation of adults were brought up in the pleasant belief that the forest resources of Canada were infinite and inexhaustible; that nature had provided more than we could possibly use and asked nothing of us but to appropriate her gifts as we needed them.

Indeed so long as forest exploitation was confined to the saw-mill, there was some reasonable ground for that confidence. It was not until well into the twentieth century that the realization began to grow, at first only among those closely in touch with the forests, that the new methods of exploitation, and the rapidly expanding field of usefulness of the forest trees, involved a rate of consumption which, if maintained along with the old and wasteful methods of forestry administration and the old recklessness about accidental loss, would soon bring the accessible and useful part of the forest near to the vanishing point.

Resources of Province

The most authoritative estimate of the timber resources of the province, with their rate of depletion and destruction and also of the annual natural increment, is that which is to be found in the report of the Dominion Royal Commission on Pulpwood, dated July, 1924. The only important change that has taken place since that date, in the Province of Quebec, is a considerable increase in the amount of good pulpwood land under license, and a corresponding increase in the rate of consumption for manufacturing purposes. The commission found that the only species of timber which were of any appreciable importance for the purpose of pulp manufacture were spruce and balsam, supplying 65.5 and 32.2 per cent. respectively of all the pulpwood consumed.

It found also that almost the whole of the enormous area of Crown forest not then licensed could be of little or no value for purposes of commercial exploitation for many years to come. Out of an estimated stand, in these unlicensed tracts, of 147 million cords (of five species, including three of little value for pulp purposes), "somewhat less than about thirty million cords may be considered to be of value at present or within reasonable time in the future." Some of this thirty million cords has since been placed under license. The reason for the small present importance of the bulk of the large stand of timber on unlicensed Crown lands is the fact that it is too thinly scattered over areas which are too remote from the natural channels of transportation, the majority of it being in territory hundreds of miles from a railway, and drained by waterways leading to Hudson's Bay rather than to the St. Lawrence Valley.

The total accessible and merchantable stand of pulpwood in the province was estimated by the Royal Commission on Pulpwood as amounting to approximately 160 million cords. Of this amount only about 131 million cords were spruce and balsam, which are the species of vital importance to the paper industry to-day. This estimate referred to 1922, and during the years 1923 to 1925 inclusive about 9.5 million cords were cut and 5.7 million cords were burned, so that the total accessible stock of the useful pulpwood species that remained to us in 1926 cannot have exceeded about 116 million cords.

Annual Increment

The rate of annual increment in forests of such varied character and climatic situation is an exceedingly difficult matter to discuss, particularly as a large proportion of our pulpwood forests are mature and the growth that goes on in them may consequently be supposed to be balanced by natural decay. The best way to obtain an idea of the rate of growth is probably to consider the period of time taken for a stand of ordinary richness to come to maturity; the total volume divided by the number of years then gives the average annual growth.

Approaching the problem from this angle we shall probably be justified in putting the average stand at 5 cords per acre—this is no more than an estimate, of course, and cannot be expected to be exact as it has to serve as a mean between the few rich stands of 25 or more cords per acre and the burned lands that are completely bare. Similarly we may estimate the average period of growth at 130 years; the figure may seem high, but it is probably not too high when we recall that it refers not only to well-regenerated and quick-growing stands, but also to enormous burned areas on which the re-establishment of a crop of spruce and balsam will be extremely slow. On this basis the growth on the exploitable area of 130 million acres works out at slightly over 5 million cords per year, and this figure may accordingly be taken as a fair estimate of the resources that will remain to us when our existing stock of mature timber has been exhausted.

The installed capacity of the pulp and paper mills now established in the province represents an annual demand for 3.5 million cords of wood. The cut of spruce and balsam for lumber represents something less than a million cords and the export of unmanufactured wood an additional 700,000 cords. The average rate of depletion for industrial purposes may therefore be estimated at about 5.1 million cords per annum from now onwards.

The rate of industrial consumption alone is thus about equal to the rate of replenishment that can be looked for in the accessible areas when the existing stock of mature timber has been exhausted; while it is further quite uncertain how the necessary supplies of timber will be obtained after the exhaustion of the mature stock and before second growth becomes available in considerable quantities.

Causes of Depletion

This is not the whole of the story of our wood situation, as there are unfortunately other causes of depletion which cut into the provincial stand of timber almost if not quite as rapidly as the axe of the industrial worker and the exporter. The 1924 commission recorded its belief that "a most conservative estimate of average timber loss (by fire) is 2 million cords per year, of which probably 1½ million cords per year at least would be in the pulpwood species." The last four summers have fortunately seen a much lower rate of fire destruction, and optimistic observers have concluded that this betterment may be due to increased activity and improved methods of fire prevention and extinguishing, in which case it might be assumed that the gain would be permanent.

There are very strong reasons for supposing that weather conditions had a great deal more to do with these low fire destruction figures than human effort. Scientific investigation, carried out both here and in the United States, has shown that the spread of fire is very largely influenced by the amount of moisture in the atmosphere. Anybody who is familiar with the process of lighting a fire in a camp for the cooking of the morning breakfast must have observed that it is far more difficult to get it going in a damp and muggy atmosphere than in bright sunlight, and this quite irrespective of dryness or otherwise of the fuel. Precisely the same condition prevails in regard to fires burning in the open forest, whch have repeatedly been observed to die down with the increase of atmosphere moisture and to freshen up again when a rising temperature reduces the relative humidity. Really destructive forest fires seldom occur except in an atmosphere of low relative humidity following several days or weeks of freedom from rain.

The careful study of these phenomena is now enabling the fire prevention organizations of the province to foretell with increasing accuracy the arrival of a period of fire danger, and therefore to intensify the preparations for fire fighting. But the meteorological records of the past three years show that really dangerous conditions—extremely low rainfall, accompanied by low relative humidity of the atmosphere—have been infrequent and confined to small local districts; and it is important to note that all the important fires of the period occurred in districts of exceptionally low humidity. Thus the Protection of Forests Report already referred to says of the fires of 1926; "The forest fires which entailed the greatest loss of merchantable timber occurred in the Gaspé Peninsula, but we must not forget that there was a drought of long duration in that region. In June there were twenty-one days without rain, in July twenty-three days; this explains why the Gaspé rain-gauge station registered a precipitation of but 1.45 inches."

Prevention of Fire

The plain lesson of all recent study of fire conditions in the forest is that there are only two methods for effectually limiting the losses due to this cause. The first is the prevention of all preventable causes of fire at all times when there is any risk of conflagration spreading. This includes the rigid application of regulations that deal with settlers' slash-fires and the refusal to issue permits for burning slash when the conditions are adverse. (One of the most destructive of the 1926 fires was due to the criminal starting of fire in a slashing for which the firerangers had refused to issue permits; the settlers appear to have been extremely anxious to get this slash burned and to have resented the refusal of the permits, though there is of course no evidence as to who set the fire or with what motive). The second method is the mobilization of all possible fire-fighting personnel and machinery at strategic points in areas where the atmospheric conditions are unfavorable; this must, of course, be accompanied by a considerable preliminary expenditure of capital, to provide instant communication of knowledge of the outbreak of a fire and the best possible facilities for transporting the fire-fighters and their machinery to the scene of action, however remote.

While a great many causes of fire are preventable, and should therefore be prevented at all costs in unfavorable seasons, there will always remain a large number of causes which cannot be prevented by any human agency. The best that can be done about these is to organize for the immediate reporting of the fire and the prompt despatch of fire-fighters to deal with it. Thus in 1926 no less than thirty-nine per cent. of the destruction was caused by fires originated by lightning, a cause which operates as effectively in the remotest and most unpenetrated parts of the forest as in those nearest to settlement, while twenty-three and a half per cent. was due to causes unknown. Railroads were, next to slashing, the largest single cause of fires, being responsible for 178 out of the 799 fires reported; but owing to the accessibility of these fires and the precautions taken, the losses from them were negligible, less than a quarter of one per cent.

Finally it is necessary to remember the danger of disastrous insect attacks to which our forests are continually exposed. As noted by the Royal Commission on Pulpwood, the losses suffered through budworm between 1912 and 1922 are estimated variously as from 100 to 150 million cords, and it is believed that these attacks are periodic and liable to recur at intervals in the future. This constitutes another very serious source of depletion in addition to those which have been considered already.

Inroads Into Capital

Thus with commercial consumption equalling the utmost natural regrowth that the forest can be expected to provide, with fire causing an additional loss which in a bad year might equal or exceed the natural growth, and with further incalculable losses threatened through the attacks of insects and fungi, it is obvious that we are making steady inroads into the most important form of natural capital with which destiny has endowed us. If we continue to pursue this policy for another generation, all hope of an adequate supply of accessible raw material for our pulp and paper industry, in which hundreds of millions of dollars have been invested in the confident expectation of its permanence, will long since have disappeared. The reduction of all forms of accidental loss to an absolute minimum is the prime essential for an adequate forest policy for the province. Such a policy should also provide such working conditions for license-holders as will allow them to operate their areas in accordance with the most scientific and systematic method of modern forestry. If such conditions are provided, the permanent interest of the license-holders themselves will insure their doing everything possible to obtain the maximum amount of raw material from the minimum amount of cutting of the standing forest, and to carry on their operations in such a way as to encourage a much higher rate of natural replacement than that which occurs at the present time. But scientific management of this kind cannot be provided except in units of forest area where the license-holder's tenure is secure against any form of invasion, and conditioned only upon his compliance with the regulations imposed by the Crown.

Quebec's Forests; Six New Articles

The forests of Canada are one of the chief props of the nation's economic life. The Financial Post publishes this week the fourth of a series of articles on the forest industries of Quebec. The articles will have a value for every citizen of Canada for the influence of forest industries in building prosperity is nation-wide. The conservation of the forests is not a problem confined to any one province. Every property owner, every business man and every resident is directly and materially concerned in the continuance of the supplies of the raw material upon which the forest industries depend.

Later The Post hopes to discuss the forestry problem of other provinces.

Italo-Canadian Mortgage Starts Business in Montreal

From Our Own Correspondent

MONTREAL.—A newly formed mortgage company, the Italo-Canadian Mortgage Corporation, has opened its doors for business here.

The corporation will carry on a general mortgage and investment trust business, but one of its functions will be to assist in colonization work in the province of Quebec.

The officers of the corporation are as follows: Frank J. Bartletta, chairman; James J. Perlitt, president A. D. Sebastiani, vice-president; Clarence F. McCaffrey, vice-president; Dr. Joseph Matera, vice-president, and Anthony C. Ratto, sec.-treas.

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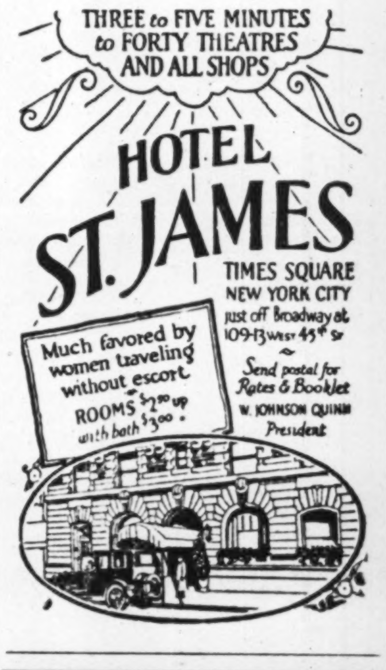
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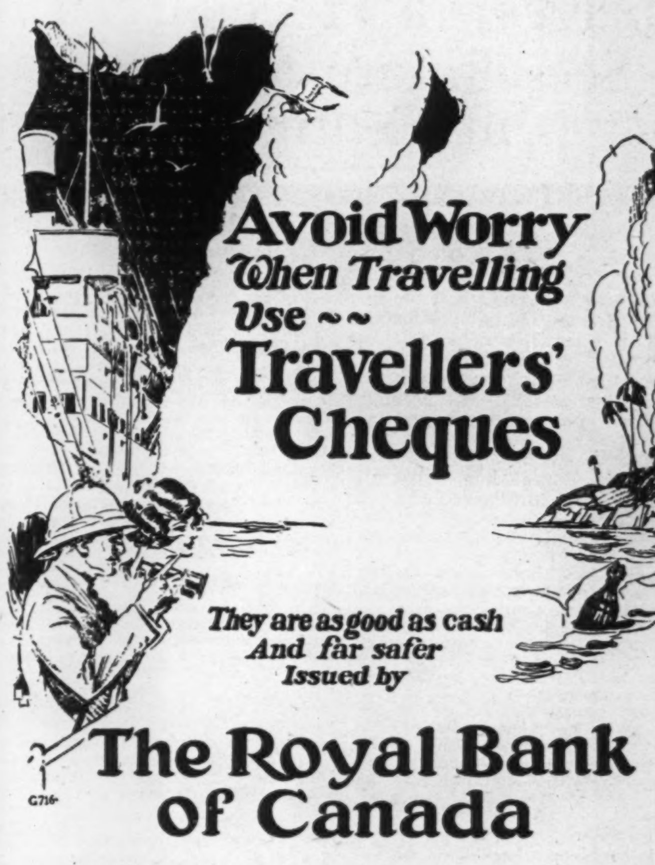

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ANNOUNCEMENT

REGARDING THE FINANCIAL POST SURVEY OF MINES, 1927 ISSUE.

A SHORT TIME AGO we were unable to fill orders for copies of the Survey of Mines as the issue was entirely sold out.

An ad was inserted in The Post asking subscribers who took large orders if they could let us buy back any copies they could spare, in order to fill as many individual orders as possible.

BY THIS MEANS we secured about 115 copies. If you wish to have one of these, attach $1 to this coupon and return it to us today.

THE FINANCIAL POST,
153 University Ave., Toronto.

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Public Utilities

B.C. Electric President Sees Future for Tram in Centres of Traffic

George Kidd Tells Shareholders in London of Company's Efforts to Forecast Development on Pacific Coast

The 31st general meeting of shareholders of British Columbia Electric Co., held in London, was notable in that $1,000,000 of additional capital, in common shares, was authorized to provide for expansions, and because George Kidd, president and general manager of the properties, went into great detail in explaining the enterprise to the shareholders, most of whom are resident in England and not familiar with the greatest utility company on the Pacific coast of Canada.

Mr. Kidd said in part:

Some years ago there was a feeling that the street car as a means of public transportation was doomed to be supplanted by the motor-bus. Some color was lent to this belief by statistics. For example, for the five years to 1926 the number of passengers using street railway systems throughout Canada showed a decrease. During the last two years, however, there has been a distinct increase in the use of street cars in the larger cities throughout the country, but in the smaller towns, due mainly to the increasing use of motor-cars, the number of passengers using street cars continues to decline.

Traffic Problems: The Street Car

I think we may now safely conclude that in the larger and more congested cities the street car must be regarded as indispensable, as being the only means of dealing with large numbers of travelers whose requirements could not be met by motor cars or 'buses without creating insoluble traffic problems. It also now appears clear that the 'bus is finding its natural sphere as a terminal feeder for outlying lines. It is also developing into an inter-city method of transportation, supplanting to some extent the inter-urban railway.

You may take it, therefore, that our present street car system, supplemented as it is by 'buses, has a very permanent place in the life of the community.

Faith in Province

I have the very greatest faith in the future of British Columbia and in the fortunes of your enterprise, which are, of course, bound up with those of the province.

I do not say that we shall not have to face difficulties and trials and possibly from time to time temporary setbacks. We will undoubtedly have our lean years as well as our fat years. As we have explained on previous occasions, it is the policy of the board to keep every branch of the service in a position to meet all the requirements of the communities we serve so that no user of these services may have cause to complain that his business is being retarded through any failure on the part of your company to meet all his requirements. At the present time the demand upon us for electricity is increasing so rapidly that we are forced to look ahead and provide additional sources of supply. This we are doing through the development of the Bridge River Power some 135 miles from Vancouver. The first development will take at least three years and will probably cost some $11,000,000, but I have no fear that your revenues will not keep pace with all your expansion, and I have never felt so comfortable or looked forward with greater confidence to the future of your enterprise

Public Utility Earnings

Southern Canada Power

November—	1927	1926	Inc.
Gross earn.	$145,362	$128,416	$16,940
Oper. expenses	47,047	40,372	6,675
Net earnings	$98,315	$88,044	$10,271
Two Months—	**1927**	**1926**	**Inc.**
Gross earn.	$283,021	$252,139	$30,882
Oper. expenses	95,286	81,671	13,615
Net earnings	$187,735	$170,468	$17,267

Monterey Railway, Light

For 3 mos. to June 30, 1927—

	Gross	xExpenses	Surplus
Rly. light and pr.	$252,829	$249,045	$ 3,783
Water and sewage	75,876	47,197	28,678
Total	$328,705	$296,243	$32,462
Agg. earn. from 1st Jan., 1927, to 30th June, 1927	$636,372	$583,738	$52,633

x—Including provisions, for renewal and obsolescence.

B. C. Electric Railway

October—	1926	1927	Increase
Gross earn.	$1,054,008	$1,093,850	$ 39,842
Exp., main., etc.	740,184	775,918	35,734
Net income	$ 313,824	$ 317,932	$ 4,108
Agg. gross from 1st July to 31st Oct., 1927	$4,096,193	$4,246,496	$150,303
Agg. net from 1st July to 31st Oct., 1927	$1,135,986	$1,168,847	$ 32,861

Winnipeg Electric

October—	1926	1927	Increase
Gross earn.	$ 492,698	$ 501,160	$ 8,462
Expenses	293,053	302,904	9,851
Net earn.	$ 199,645	$ 198,256	x$ 1,389
Agg. gross from 1st Jan. to end of Oct.	$4,541,585	$4,857,608	$316,023
Agg. net from 1st Jan. to end of Oct.	$1,624,950	$1,739,712	$114,762

x—Decrease.

Can. Western Natural Gas

	1926	1927	Increase
January	$138,443	$199,753	$61,310
February	126,850	193,421	66,571
March	111,770	168,005	56,235
April	106,121	141,436	35,315
May	52,898	102,615	49,717
June	37,018	71,993	34,975
July	43,725	49,290	5,565
August	40,520	43,755	3,235
September	70,323	60,847	x9,476
October	95,064	91,167	x3,897
Agg. earn. from 1st Jan. to 31st. Oct.	$822,732	$1,122,282	$299,550

x—Decrease.

Brazilian Traction

Nov.—	1927	1926	Increase
Gross earn.	$3,303,181	$3,001,416	$301,765
Oper. exp.	1,401,100	1,342,265	58,835
Net earn.	$1,902,081	$1,659,151	$242,930
Agg. gross from Jan. 1	35,027,967	35,648,927	x620,960
Agg. net from Jan. 1	20,296,922	20,244,536	52,386

xDecrease.

The figures for the past 13 months follow:

	Gross	Net	Net inc.
1926—			
November	$3,001,416	$1,654,151	$105,113
December	2,953,964	1,456,192	z258,226
1927—			
January	2,975,801	1,674,929	z117,359
February	2,876,573	1,614,573	z64,214
March	3,080,055	1,765,482	2,139
April	3,053,071	1,743,614	28,242
May	3,237,839	1,901,400	z49,208
June	3,197,303	1,910,223	z127,230
July	3,346,083	1,984,762	z6,044
August	3,358,938	1,990,203	27,849
September	3,293,117	1,899,196	z12,155
October	3,305,659	1,910,390	127,436
November	3,303,181	1,902,081	242,930

zDecrease.

In comparing the earnings for November, 1927, with the previous year, it should be noted that the average exchange realized in November, 1926, was 12.93c., as against 11.96c. in November, 1927.

THREE RESIGN FROM EXECUTIVE OF NAT. GROCERS

Resignations Are in Connection with Reorganization of Company

Archie Foster has resigned as president of National Grocers, Ltd., but will continue on the board of directors as chairman. John Medland has been appointed president to succeed Mr. Foster. Arthur C. Pyke has resigned as secretary treasury and will be succeeded by Thomas Kinnear, who has been a vice-president.

Alvar Simpson, a former vice-president, has, with Mr. Pyke, severed his connection with National Grocers.

National Grocers, Ltd., was organized two years ago as an amalgamation of wholesale grocers designed to combat the chain store influence in Ontario. The new company included in its executive personnel a number of the principal executives of the companies absorbed, with the result that the combined company had a somewhat top-heavy executive. The resignations which are now announced, through Canadian Grocer, will tend to remedy a situation which is not uncommon in merchandising and industrial mergers.

Goodwill Raises Value of Property

Speaking on the value of goodwill before the Sphinx Club of New York, Geo. K. Morrow, president of Gold Dust Corporation, a director of the Harriman National Bank, and Standard Milling Company, and a former Canadian, made some interesting remarks about Canadian companies in which he is interested.

Mr. Morrow said:

"My brother, F. K. Morrow, of Toronto, and myself, about four years ago, appreciating the value of goodwill, bought the Christie Brown Biscuit business of Canada, at $25 a share. To-day's market is $70. By using the goodwill we doubled the earnings of the company.

"Then we purchased Hiram Walker & Sons of Canada for $13,000,000. The stock was offered at $25 to the public and is now $60, an appreciation of $20,000,000, all accomplished by using the goodwill to improve earnings.

"Our last purchase for $6,000,000 was the Northern Bakeries of Canada, manufacturers of Ideal Bread and Ideal Cake. Stock was sold to the public at $27—now $42. Earnings will double next year, all done by improving the goodwill."

Officials Do Not Share Reparations Expectations

MONTREAL.—Officials of the Canadian Car and Foundry Co. do not share in the optimism that the United States government will take some action shortly to settle War reparation claims of this concern.

The company operated a subsidiary in New York state during the war which engaged in the manufacture of munitions. Its destruction by enemy agents led the company to make claim for several million dollars indemnity.

Property of German nationals in the United States sequestered during the war, are sufficient to meet the claims of all those who are entitled to reparation.

A bill providing for action along these lines was before the U. S. government last year, but no action was taken. A similar bill is now before the government, but whether it will meet with success, is a matter for conjecture.

Alexandra Apartments is Doing Good Business

Alexandra Apartments, Limited, which conducts a high-class apartment hotel on University Avenue, Toronto, is doing an excellent business. For the five months ended October 31st, profits of $24,101.47 were available for bond interest, depreciation and income taxes, as compared with $19,991.43 for the corresponding period in 1926.

Herald of Lethbridge Celebrates 20th Birthday

The West is growing up. The Lethbridge Herald this week celebrated its 20th anniversary.

The owner of the Herald is Senator W. A. Buchanan, once an Ontario farm boy, now a leading citizen of Alberta.

Lake Ontario Brewing is Extending Plant

From Our Own Correspondent

MONTREAL.—The Lake Ontario Brewing Company is making adjustments and extensions to its plant, which in the warmer months, will allow for a larger production. It is understood that at the present time the company is accumulating some reserve stock to take care of the seasonal increases in the demand in future. It is said that during the past summer and autumn months, the plant could not produce sufficient beer to take care of the demand.

Canada Landed Merges with Canada Permanent

Shareholders of the Canada Landed & National Investment Co. have unanimously ratified the agreement by which that company will become merged with the Canada Permanent Mortgage Corporation, the merger to take effect in January next. The shareholders of the "Canada Permanent" had already confirmed the agreement at a special meeting held on December 15.

Newsprint Production Indicates No Advance During November Last

From Our Own Correspondent

MONTREAL.—The newsprint production figures published by the newsprint Service Bureau for the month of November indicate no betterment in the situation surrounding the industry, except perhaps that the Canadian mills are getting more and more of the business and are operating at nearer capacity than the U. S. ills.

The following figures show the production over the last four months at U. S. and Canadian mills together with the everage percentage of capacity at which the mills operated:

	Tons	Per Cent. Capacity
Canadian Mills		
November	190.293	86.1
October	191.171	86.5
September	178.815	84.1
August	180.175	81.6
U. S. Mills		
November	117.222	78.7
October	114.675	76.9
September	114.735	80.1
August	127.129	82.1

One satisfactory feature in the picture is the fact that while mill stocks on hand at the United States mills have declined slightly over the last four months, there has been a steady and substantial increase in the stocks of newsprint on hand at the Canadian mills. The mill stocks on hand at Canadian mills at the end of November amounted to 38,074 tons. The figures for the year to date show that production in the first eleven months of the year, from United States mills, is off about 200,000 tons and that production from the Canadian mills for the year to date shows the same increase. Thus, the total production of both countries during the first eleven months of the year is within 12,000 tons of the production of the corresponding period of a year ago.

The figures of the total North American production, which includes Newfoundland and Mexico, also show only a fractional increase. For the first eleven months of 1926 the figure amounted to 3,437,589 tons. This year it is but 3,466,439 tons. The foregoing figures indicate very clearly the present position of the industry which last year increased the rated capacity of its mills by about twenty per cent. and this year finds that there has been practically no increase in the demand. However, if there is no increase in the demand in 1928, it will be unique in the annals of the newspaper industry in that country.

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Industrial or Public Utility Companies wishing to raise additional funds of from £50,000 to £500,000 for developments and extensions by means of Debenture Issues

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UNDERWRITING AND ISSUING OF CAPITAL

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ESTABLISHED 1897.

The facilities at the firm's disposal for handling Debenture Issues with the minimum of expense enable it to purchase such issues upon terms which are very favorable to the borrowing undertakings.

All of this stock having been sold, this advertisement appears as a matter of record only.

New Issue

45,000 Shares

George A. Fuller Company

Cumulative and Participating Prior Preferred Stock
(without par value)

Preferred as to dividends at the rate of $6 a share per annum, cumulative from January 1, 1928, payable quarterly January, April, July and October 1. Entitled also (as a class) to participating dividends, not exceeding $3 a share per annum, equivalent to 6% of the Residuary Net Profits (as defined) of each fiscal year subsequent to the fiscal year ending April 30, 1928, determined after certain deductions, including preferred dividends ($6 a share) and sinking fund on the Prior Preferred Stock and preferred dividends ($7 a share) and sinking fund on the Preference Stock.

Dividends exempt from the present normal Federal income tax.

Redeemable, in whole or in part, at the option of the Company, on any dividend date, upon 30 days' prior notice, at $115 a share, if redeemed on or before April 1, 1932, at $110 a share thereafter and on or before April 1, 1936, and at $105 a share thereafter; in each case plus accumulated unpaid preferred dividends. Participating dividends earned in prior fiscal years but unpaid and participating dividend adjustment of 25c a share for each month elapsed from the close of the preceding fiscal year. Preferred as to assets, in involuntary liquidation, in the amount of $105 a share plus accumulated unpaid preferred dividends, participating dividends earned in prior fiscal years but unpaid and participating dividend adjustment of 25c a share for each month elapsed from the close of the preceding fiscal year, and, in voluntary liquidation, in an amount equivalent to the then current redemption price.

THE NATIONAL CITY BANK OF NEW YORK, Transfer Agents
THE CORPORATION TRUST COMPANY, Registrar

CAPITALIZATION
(Upon completion of present financing)

	To be Authorized	To be Outstanding
Cumulative and Participating Prior Preferred Stock (without par value)—this issue	60,000 shares	45,000 shares
Cumulative Preference Stock (without par value)	60,000 shares	36,000 shares
Common Stock (with par value)	30,000 shares	30,000 shares

Mr. H. S. Black, Chairman of the United States Realty and Improvement Company and President of the George A. Fuller Company, summarizes from his letter to the undersigned as follows:

The George A. Fuller Company is one of the foremost companies engaged in the construction of buildings, including banks, hotels, office buildings, apartment houses, club houses, school buildings, courthouses, industrial plants, power houses, etc. During the past 25 years it has carried out construction work aggregating over one billion dollars in cost.

The net earnings of the Company, available for dividends and for additional compensation to the officers and staff, as set forth in my letter for the seven fiscal years ended April 30, 1927, have averaged $1,796,542 per annum, or more than 6½ times the annual preferred dividend requirements ($6 a share) on the Prior Preferred Stock to be presently outstanding. For the fiscal year ended April 30, 1927, such net earnings amounted to $3,269,390, or more than 12 times such annual preferred dividend requirement.

Based on the earnings of the Company and on the capitalization after this financing, the Prior Preferred Stock would have been entitled, in addition to preferred dividends of $6 a share per annum, to participating dividends in the following amounts per share: $1.14 in 1921; 82c in 1922; 68c in 1923; 50c in 1924; $1.10 in 1925; $2.00 in 1926, and $3.00 in 1927.

The Certificate of Incorporation, as amended, contains conservative provisions protecting the Prior Preferred Stock in respect of the creation of mortgages, the issuance of bonds or other funded indebtedness, the guaranteeing of funded obligations of subsidiary companies, and the issuance of stock ranking prior to or equally with the Prior Preferred Stock in respect of the payment of dividends or the distribution of assets.

The Company will set aside on June 1, 1930, and on June 1 in each year thereafter, from its surplus or net profits otherwise available for the payment of dividends on Junior stocks an amount at least equal to $3 for each share of Prior Preferred Stock theretofore issued. The amounts set aside June 1, 1930, and June 1, 1931, are to be applied to the purchase and retirement of Prior Preferred Stock, to the extent that it is purchasable at or less than $107.50 a share prior to the next succeeding November 15, in each case. The amounts set aside on June 1, 1932, and on each June 1 thereafter, are to be applied to the purchase and retirement of Prior Preferred Stock, if purchasable at or less than the then current redemption price, and, to the extent that Prior Preferred Stock is not purchasable at or below such price, are to be applied to the redemption and retirement of Prior Preferred Stock on the next succeeding January 1 in each case.

This financing will provide funds for property improvements and working capital of the Company's limestone subsidiary, thus enabling it economically to supply practically all of the Company's limestone requirements, will provide for the establishment of a financing subsidiary equipped to underwrite and purchase Junior securities of construction enterprises in co-operation with the Company, and will effect a constructive plan of additional compensation by which the officers and staff will be directly interested in increasing the earnings of the Company.

Application will be made to list this Prior Preferred Stock on the New York Stock Exchange.

Price $99.50 per share

We offer this stock, if, as and when issued to and received by us, subject to the approval of counsel of all legal proceedings. It is expected that delivery in the first instance will be made on or about December 27, 1927, in the form of temporary stock certificates or interim receipts of The National City Company.

The National City Company
Limited
10 King Street East, Toronto
Telephone Elgin 8208
MONTREAL OTTAWA QUEBEC
Offices in more than 50 cities in the United States and Canada

The above information is based upon official statistics on which we have relied. We do not guarantee, but believe it to be correct.

CANADIAN STOCKS GROW IN INTEREST TO NEW YORKERS

Review of Imperial Oil is Given by Member of N. Y. Exchange

An evidence of the growing interest in New York in the stocks of Canadian companies is a comprehensive review of Imperial Oil, Ltd., by the statistical department of Pask & Walbridge, members of the New York Stock Exchange. While most of the facts contained in the statement are familiar to readers of The Financial Post, the compilation and conclusions of an outside authority are interesting.

The statement follows, in part:

Imperial Oil Company, Ltd., is a subsidiary of the Standard Oil Company of New Jersey, which owns more than 80 per cent. of its stock. The company is a complete unit in the oil industry, its operations including production, transportation, refining and marketing. Marketing operations are conducted in Canada, and, through subsidiaries, in certain South American countries.

Like many other Standard Oil companies, Imperial Oil, Ltd., has in the past specialized most intensively in the refining and the marketing branches of the oil business, at the same time holding in Canada vast acreages of potential production in reserve. In recent years the company has commenced the development of these reserves on a large scale, and in our opinion these developments indicate large possibilities of appreciation in the market price of the company's stock.

Properties and Operations

Imperial Oil, Ltd., is the largest oil company in Canada and one of the oldest, having been organized in 1880. From relatively small beginnings the company has expanded steadily until it has become the dominant factor in the oil industry in Canada.

The company owns and operates in Canada six modern oil refineries, located at strategic points throughout the Dominion, having an aggregate daily capacity of 45,500 barrels. Crude oil is supplied by rail and by pipe lines from fields in the United States, and also by tank steamers. The company operates throughout Canada about 1,550 marketing stations, 152 gasoline service stations and many large storage stations for the distribution of its products. Imperial Oil, Ltd., owns fourteen modern tank steamers and more than 1,400 tank cars, and leases about 700 in addition.

Lands in Canada controlled by the company have vast oil producing possibilities, but their development has as yet scarcely commenced. In the Turner Valley, near Calgary, Alberta, one of the company's subsidiaries, Royalite Oil Company, has brought into production a well, known as "Royalite No. 4," which has made such a spectacular showing as to attract great attention to this district. The oil taken from this well is of very high gasoline content, most of the refining having been accomplished underground by natural process.

In April, 1927, it was announced that a new high record for this well had been reached and that it had produced an average of 641 barrels of 73 degree gasoline daily during the previous month. This one well also supplies about two-thirds of all the gas used in the homes of Calgary. It is said that each barrel of the product of this well was worth, during 1926, as much as seven barrels of ordinary crude oil. The company has a refinery located near this well and has laid the necessary pipe lines so as to get the full benefit of this remarkable production. In July, 1927, a new well, "No. 5," located two miles south of "No. 4," was brought into production. Other wells in Western Canada have been completed and brought into production from time to time. Through subsidiaries operating in the Turner Valley district, Imperial Oil, Ltd., is believed to control about 75 per cent. of the most promising acreage.

It is of interest to note that Hudson's Bay Company owns a total of 3,000,000 acres in Northern Canada and has mineral rights covering an additional 4,000,000 acres. Some of Hudson's Bay Company's holdings are near the Turner Valley fields and arrangements have been made by subsidiaries of Imperial Oil, Ltd., for drilling operations on this land on a basis which may become very profitable. Drilling of wells on Hudson's Bay Company's land is reported as now in progress.

South American Properties

Imperial Oil, Ltd., controls International Petreloum Company, Ltd., with which has been merged Tropical Oil Company, and through these companies conducts its business in South America.

In Peru, International Petroleum Co., Ltd., owns outright about 400,000 acres of oil lands and leases, 700,000 acres additional. At the end of 1926 the company had 1,316 producing oil wells and six gas wells in Peru. Peruvian crude is of the highest grade known for producing lubicating oil, ranking equally with our own Pennsylvania crude in that respect.

Tropical Oil Company controls about 2,000,000 acres of oil lands in Colombia. At the end of 1926 the company had 141 producing wells in Colombia, having a reported daily potential production of about 90,000 barrels. In May, 1926, a ten-inch pipe line 360 miles in length, having a capacity of about 30,000 barrels daily, was completed, extending from the oil fields to the Cartagena Harbor. The capacity of this pipe line will be increased to 50,000 barrels per day by construction which is now understood to be nearly, or altogether, completed. Colombian oil compares favorably with the average Mid-Continent crude produced in the United States. Production has been increased from 66,480 barrels in 1921 to 6,443,540 barrels in 1926, or almost one hundred fold. Proven reserves of International Petroleum Company's Colombian acreage are enormous and by using wells already drilled and capped, production can be greatly increased at a moment's notice to meet additional demand.

These South American companies have their own refineries and marketing facilities for supplying the local trade. The Peruvian refinery also exports to Chile, Ecuador and Panama.

Oil from Colombian fields can be delivered to refineries adjacent to New York, Philadelphia, or Canadian ports at approximately the same transportation cost as that produced in Mid-Continent fields in the United States, delivered through pipe lines. The geographical location of Colombia and Peru also makes it possible for oil from those countries to compete advantageously, both as to grade and price, at seaport markets the world over with oil produced anywhere else.

Capitalization and Dividends

The total capitalization of Imperial Oil, Ltd., consists of 6,548,267 shares of no par value captal stock. The company has no funded debt and no preferred stock.

Stockholders of Imperial Oil, Ltd., like those of many other Standard Oil companies, have received numerous stock dividends and rights to subscribe to new stock, as well as liberal cash dividends. In 1915 a stock dividend of 100 per cent. was distributed, and since that date valuable subscription rights have been given to stockholders on three occasions. In 1919 the $100 par value shares were subdivided and four new shares of $25 par value were exchanged for each old share. In January, 1925, four shares of the present no par value stock were issued in exchange for each $25 par value share. From 1919 to 1925 cash dividends were paid ranging from 8 per cent. to 18 per cent., computed on the par value of the outstanding stock. In 1925, $1.00 was paid on the present no par stock, in 1926, $1.00 plus 25 cents extra. On March 1, and June 1, 1927, the regular quarterly dividend of 25 cents, plus 12½ cents extra, has been paid, and the same amount has been declared, payable September 1.

Disregarding the valuable stock subscription rights the holder of one share of $100 par value stock on January 1, 1915, then paying a cash dividend of $10 per annum, would now hold 32 shares of the present no par value stock, paying $48 per annum in dividends and worth about $1,500 at the current market price.

We believe that Imperial Oil, Ltd., will develop fully as rapidly in the future as it has in the past and that ownership of the company's stock will prove equally profitable. We, therefore, recommend this stock as an outstanding long pull investment.

Dividend is Expected of Canadian Brewing

From Our Own Correspondent

MONTREAL.—The shares of Canadian Brewing have been strong of late, due to the expectations that the management will take action this week to declare an initial distribution to the shareholders of 90 cents per share for the final quarter of this year. It is expected that the stock will be called on both the Montreal and Toronto Stock Exchanges soon, as listing papers have been in the hands of the committees of the exchanges for some time.

STEADY DECREASE IN COAL INDUSTRY IS AGITATING B. C.

Provincial Government is Urged to Restore Industry to Prosperous Stage

VANCOUVER—The provincial government is being urged to adopt a program calculated to restore British Columbia's coal industry to a prosperous stage. It has been steadily decreasing since back in 1914 when strikes tied up the collieries on Vancouver Island for several months, and the mines lost several of their most important markets. Prior to that British Columbia had made regular shipments of coal to California and Washington. The strike forced these states to look elsewhere for their fuel and found that Utah could meet their requirements. Coal from the Mormon state was not as good as the Vancouver product, but it was necessary for these markets to have a steady supply. Utah capitalized its advantage and has managed to hold those markets, and an import duty of 59 cents a ton on Canadian coal has strengthened Utah's advantage.

Fuel Oil

Another contributing factor to the decline of the coal industry has been the increased use of the fuel oil in industry. Despite an increase of 30 per cent. in population and 50 per cent. in industry during the last few years, British Columbia's consumption of coal has not increased. To-day the collieries employ fewer men than they did ten years ago.

Most of the oil enters Canada from California, free of duty and repeated efforts of the provincial government to impose a tax on it have failed.

Foreign fuel oil competition appears to be here to stay, and economists who have made a study of the coal situation declare that an improvement in conditions must be brought about within the industry itself rather than by handicapping competitors.

By-Products

A fuller use of the by-products of the coal industry is one of the avenues suggested for bringing about its economic salvation, and government assistance has been suggested as a means of bringing about the required development along this line. It is represented that the industry itself is not in a position to undertake the research work necessary by itself.

There are several encouraging features in the coal outlook, however, and one of them is the prospective establishment of new smelters on the coast for the handling of the province's steadily increasing production of metals. The big Ladysmith smelter will soon be in operation again and the Consolidated Mining & Smelting Company is reported to be planning a coast smelter to handle the output of some of its recently acquired coast and northern mining properties.

TO REMODEL BROCK BLDG.

Playfair, Paterson & Co., who recently bought the W. R. Brock building at Wellington and Bay Streets, Toronto, announce that the structure will be remodelled as an office building.

Booklet is Issued by Royal Securities

From Our Own Correspondent

MONTREAL.—Royal Securities Corporation have brought out an attractive booklet entitled "Canadian Corporation Investments." It contains a list of the securities of some 17 public utility companies and 33 industrial companies whose securities are handled by Royal Securities Corporation. The issues of these companies are dealt with in an exhaustive manner and much helpful information is offered by this book.

Net Increase Shown by Banque Canadienne

Profit for Present Fiscal Year is $903,201 as Compared with $860,660 for 1926 — Deposits Show Increase of Over $8,800,000

From Our Own Correspondent

MONTREAL.—The annual report of the Banque Canadienne Nationale shows increase in net profits as compared with the two previous years. Net profits for the present fiscal year which ended November 30, 1927, amount to $903,201, as compared to $860,660 in 1926 and $822,027 in 1925.

Deposits show an increase of over $8,800,000 and total assets which now stand at over $148,700,000 are up over 9½ millions over 1926.

The following figures give a comparison of income account over the past three years:

Profit and Loss Account

	1927	1926	1925
Net profit	$903,201	$860,660	$822,027
Deduct—			
Dividends	550,000	550,000	550,000
Pension fund ...	35,000	30,000	30,000
Federal Taxes ...	100,000	100,000	100,000
Provision for payment to Prov. of Quebec	125,000	125,000	125,000
	$$93,201	$55,660	$17,027
Ball. at credit of Profit and Loss Account	$320,678	$265,018	$247,991
Surplus account ...	$413,879	$320,678	$265,018

There were several significant changes in the balance sheet throughout the year. An increase of $5,696,730 shown in current loans and discounts which stand at $62,949,701, offset a decline of $3,081,399 in the amount of securities held by the bank. Quick assets represent 56.49 per cent. of total liabilities to the public, and cash assets represent 22.49 per cent. of total liabilities to the public. The constructive policy adopted by the bank is indicated by the employment of a part of its assets in current loans to assist in industrial, commercial and agricultural development.

GIGANTIC DUEL FOLLOWS OVER RIGHTS TO POWER ON ST. LAWRENCE RIVER

(Continued from page 1)

velopment will not be tolerated by the Taschereau government. At the same time the Montreal power group owns already most of the north shore rights, and it is to be assumed is working very hard to obtain complete possession of the power end of the entire development.

Now, however, an independent group of financiers have applied to the Taschereau and the King governments for the right to carry out the power development of the lower sections of the project, and to do so, as far as possible, along the south shore of the river. It is understood they would not interfere with the present plants of the Montreal power group at Cedar rapids.

Just who is behind this application is uncertain, although they are prominent Liberals, beyond a doubt. One of their engineers is a certain Mr. Griffiths, who has made a close study of the power possibilities of the river.

This syndicate is represented by Aime Geffrion, K.C., who has conducted negotiations for them with Premier Taschereau, and, doubtless, with the Ottawa government. Reports, of reliable character, state that Taschereau has given them his blessing and strongly urged the Federal government to do so too. It is even stated that they have signed a tentative contract with the Ontario Hydro for a block of the power.

Naturally such a development would affect the Montreal Power group, and they are fighting the proposal to the limit, urging, as a first argument, that the recommendation of the engineering board, that the power development should take place on the north side of the river, should not be set aside.

Undoubtedly the issue will come before the next session of parliament in one form or another, and the federal and provincial governments of Quebec are endeavoring to reach an understanding before the storm breaks.

WINDSOR HOTEL

MONTREAL.—At a meeting of the Board of Directors of the Windsor Hotel, which was recently re-purchased from United States interests, Victor E. Mitchell, K.C., was elected president; J. Alderic Raymond, vice-president in charge of finance, and D. B. Mulligan, vice-president and managing director.

Lady Willams-Taylor, wife of the general manager of the Bank of Montreal, sailed recently on the C. P. R. lines Empress of Australia, on a cruise around the world.

The National Debenture Corporation
Limited

Balance Sheet as at 30th November, 1927

ASSETS

CASH		
Bank of Nova Scotia	$100,265.84	
The Trusts & Guarantee Co., Ltd.		
General Account	63.42	
Special Account	1,144.80	
		$101,474.06
SECURITY SOLD AND HELD PENDING DELIVERY (Secured by Collateral)		100,164.64
SECURITIES HELD IN TRUST BY THE TRUSTS AND GUARANTEE COMPANY, LIMITED.		
Dominion Government, Provincial and Canadian Municipal Bonds, and Bonds and Debentures guaranteed by the Dominion of Canada or any of the Provinces.		
Face Value	$65,193.20	
Accrued Interest thereon	1,585.25	
		66,778.45
FIRST MORTGAGES UPON IMPROVED PROPERTY IN ONTARIO HELD IN TRUST BY THE TRUSTS AND GUARANTEE CO. LTD.		
Face Value	$49,932.79	
Accrued Interest	1,504.40	
		51,437.19
SECURITIES HELD BY THE CORPORATION.		
Provincial and Canadian Municipal Bonds and Debentures at Market Value	$18,523.47	
Accrued Interest thereon	479.89	
		19,003.36
Bonds and other Investments at Cost, including Accrued Interest thereon		246,184.51
LOANS TO CLIENTS		51,373.01
LIFE INSURANCE ($56,000 on Lives of Officers insured in favor of Corporation)		1.00
GOODWILL, FRANCHISES, ETC.		1.00
		$636,417.22

LIABILITIES

INTEREST COUPONS OUTSTANDING		$ 220.75
ACCOUNTS PAYABLE		1,705.00
ACCRUED INTEREST (Not due)		
On 5½% Collateral Trust Gold Bonds Interest due May 1st, 1928	$... 477.63	
On 6% Debentures—Interest due Jan. 1st, 1928	7,927.17	
		8,404.80
5½% COLLATERAL TRUST GOLD BONDS—Short Term		
Due May 1st, 1931	$10,100.00	
Due May 1st, 1936	15,700.00	
		25,800.00
5½% COLLATERAL TRUST GOLD BONDS—Long Term		
Due May 1st, 1946		. 84,400.00
6% FLOATING CHARGE DEBENTURES		
Due July 1st, 1931	$ 1,000.00	
Due July 1st, 1932	8,400.00	
Due July 1st, 1936	19,500.00	
Due July 1st, 1937	14,400.00	
Due July 1st, 1941	8,500.00	
Due July 1st, 1946	292,200.00	
		344,000.00
6% INCOME CHARGE DEBENTURES		50,000.00
RESERVES		
For securities held by the Trusts and Guarantee Co. Ltd.	$ 5,969.40	
Premium on Common Stock	366.00	
		6,335.40
CAPITAL STOCK		
Authorized 100,000 shares of no par value, all issued		100,000.00
SURPLUS		
Balance at 30th April, 1927	$12,298.68	
Profit for period per Profit & Loss Account	3,252.59	
		15,551.27
		$636,417.22

Toronto, 14th December, 1927.
Certified correct with reference to our Report of this date.
(Sgd.) MACINTOSH, COLE & ROBERTSON,
Chartered Accountants.
Auditors.

Sound Investments
For New Year's Funds

Interest and dividends payable January 1st offer to thousands of investors the opportunity to commence the New Year with a programme of systematic saving. Unless this income is reinvested immediately, one of the advantages of investing in high yield securities is lost; that is, the "pyramiding" of principal through compounding interest on interest and dividends.

Our current offerings include Government and Municipal Bonds, in addition to a well diversified list of high grade Public Utility and Industrial securities which are well protected by asset values and demonstrated earning power—and which give very satisfactory yields. Many of these securities are available in $100 as well as higher denominations.

The following suggestions are representative of the values offered:—

Government and Municipal	Rate %	Due	Price About	Yield %
Dominion Victory, War Loan and Refdg. Bonds, all issues..	..	....	Market	....
Republic of Poland......	7	1947	92	7.86
Dominion of Canada Guaranteeing C.N.R.	4½	1957	101	4.43
Province of British Columbia	4½	1957	101	4.44
City of Halifax, N.S.	6	1930	103.88	4.60
Public Utility				
Canadian Pacific Railway Note Certificates	4½	1944	100	4.50
Gatineau Power 1st Mortgage	5	1956	100	5.00
International Power Gold Debentures	6½	1957	103	6.25
International Power 1st Preferred Stock	7		Market	7.20
Montreal Island Power 1st Mortgage	5½	1957	101.50	5.35
Montreal Tramways 1st Mortgage	5	1941	102	4.81
Nova Scotia Tramways & Power 1st Mortgage	5	1946	98	5.15
Ottawa Traction 1st Mtge. & Coll. Trust.	5½	1955	104	5.20
Ottawa Light Heat & Power Ref. Mtge. & Coll. Trust	5	1957	101	4.93
Shawinigan Water & Power 1st Mtge. & Coll. Trust	4½	1967	97.50	4.65
Industrial, etc.				
Abitibi Power & Paper Company Notes	6	1931	101 75	5.42
Abitibi Fibre 1st Mortgage	6	1947	102	5.80
Acadia Apartments 1st Mortgage	6½	1939	100	6.50
Acadia Sugar Refining 1st Mortgage	6	1946	100	6.00
Alberta Pacific Grain 1st Mortgage	6	1946	103	5.75
Alberta Pacific Grain Preferred Stock	7		Market	7 20
Canada Cement 1st Mortgage	5½	1947	102 50	5.30
Canada Steamship 1st & Genl. Mortgage	6	1941	103	5.70
Famous Players Canadian 1st Preferred Stock	8		Market	7.80
Fraser Companies 1st Mortgage	6	1950	103	5.75
Gotfredson Corporation 1st Mortgage	6½	1937	100	6.50
London Realty 1st Mortgage	6½	1941	101	6.40
Moirs, Limited, 1st Mortgage	6½	1946	103	6.25
Montreal Apartments 1st Mortgage	6½	1940	102	6 30
Sherbrooke Street Realty 1st Mortgage	6½	1940	100	6.50
United Amusement Corpn. 1st Mortgage	6	1942	98 50	6.15
Windsor Hotel Refunding Mortgage	6	1947	100.50	5.95
Windsor Hotel Preferred Stock	6½	....	94	6.92

Upon request, we shall be pleased to submit full particulars of these investments, or others on which information may be desired.

Royal Securities Corporation
Limited
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec Winnipeg Vancouver New York

J-135

AUTOMOBILE LOSS RATIOS, 1925-26

Experience of member companies, C.A.U.A. in terms of loss ratio, on a basis of premiums written to losses incurred during the policy year. The experience does not include public automobile and garage risks.

Class of business	Maritimes* 1925 %	Maritimes* 1926 %	Quebec 1925 %	Quebec 1926 %	Ontario 1925 %	Ontario 1926 %	Manitoba 1925 %	Manitoba 1926 %	Sask'wan 1925 %	Sask'wan 1926 %	Alberta 1925 %	Alberta 1926 %	B. Columbia 1925 %	B. Columbia 1926 %	Total 1925 %	Total 1926 %
Public Liability	31	38	43	72	42	62	83	39	7	29	21	15	47	67	44	62
Property Damage	49	72	59	81	53	69	55	77	36	68	56	87	55	56	56	73
Collision	65	122	43	71	55	69	48	81	72	66	57	128	59	66	53	75
Fire	57	81	53	69	41	48	34	31	38	77	33	35	29	34	46	55
Theft	107	69	67	55	35	36	67	81	21	21	19	12	23	39	46	45
T	60	67	52	69	44	58	59	58	35	55	35	50	44	56	48	62

wfoundland.

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Managing Editor—FLOYD S. CHALMERS

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TORONTO, DECEMBER 23, 1927

GUARD THE TREATY

UNDER the Australian trade treaty Canadian newsprint producers are exporting an amount of paper sufficient to keep one 250-ton per day mill in continuous operation. Roughly speaking, a mill of this size would support a town of nearly 5,000 population. This is only one of the benefits that this treaty has brought to Canada.

Canada's exports of newsprint paper to Australia have grown as follows under the stimulus of this treaty:

Before treaty came into force:	
Year 1924	$156,000
Year 1925	51,000
Half-year to Sept. 30, 1925	7,500
After treaty came into force on October 1, 1925:	
Half year to Mar. 31, 1926	$ 925,000
Year 1927	2,540,000
Half-year to Sept. 30, 1927	1,850,000

The figures show, by direct comparisons between the six months' period before the coming into force of the treaty and the same six months of 1927, that our newsprint exports grew from $7,500 to $1,850,000. And the newsprint industry expects further trade.

Such a benefit, only one of many benefits achieved by Canada under the treaty, is something that Canada should cherish and guard. Public opinion is running away with itself in the present widespread feeling that the treaty should be abrogated.

The stimulus to opinion adverse to the treaty has come chiefly from two directions: from American raisin producers who have been subtle in their propaganda and from the dairying interests of Canada, who claim to have been adversely affected by the treaty. Their feeling is more keenly directed towards importations from New Zealand, which enjoys the same advantages under the treaty as does Australia, than against the importations from the latter country. Total butter importations from both of these countries amount to only two per cent. of total Canadian production of butter. This small quantity of butter, coming in large shipments from time to time, is declared to have an effect on Canadian butter prices greater than the percentage would seem to suggest. But the dairymen's claim, which has been freely presented in these columns, nevertheless does not weigh in the balance with the benefits to all Canada from the increased export of one commodity alone, newsprint. The employees added to Canadian industry by the enlarged export of newsprint paper would, with their families, merchants, etc., consume 1,500,000 pounds of butter yearly, offsetting a third of the total imports.

The Australian treaty may need slight revision. But it is too valuable to Canada to be utterly abrogated after having proven itself as of material benefit to the nation.

GROUPS AND DISASTER

HON. E. C. DRURY, former premier of Ontario, is usually found upon the right side of any public question and often enough that side is the unpopular one at the moment. Mr. Drury saved Ontario from a hundred million dollar investment in hydro-radial railways and, while practically every sane thinking man in the province now feels a mighty relief at the narrow escape from the assuredly calamitous financial results that would have followed the construction of a network of inter-urban electric lines, Mr. Drury can hardly be expected to forget that his decision against the radial scheme was the primary factor in his defeat that subsequently encompassed him in the provincial elections.

Now Mr. Drury is fighting against the movement that would maintain a distinct farmers' group in politics. Group government is based upon the Marxian doctrine of occupational representation and the dangers of this doctrine were well indicated by Mr. Drury in an address in Toronto this week. Pursuance of the will-o'-the-wisp group influence in government or the chimera of a minority control of the balance of power between the established political parties, will eventually wreck the farmers' movement, thinks Mr. Drury. He has strong antagonists in his preaching, including some suave and subtle farm leaders. But Mr. Drury sees ahead farther than most of his associates in the farmers' movement. The fury and rancour of the opposition pitted against him is no evidence of the merit of their arguments or of the soundness of their views. Mr. Drury well declares that it is easier to secure a following by stirring up distrust and hatred than by putting forward constructive effort.

The farmers of Canada will get nowhere by organizing against other classes in the community. Nor would laborers, nor professional men, nor financiers. Their power in politics will depend less upon the unity of front they present than upon the extent to which intelligent farm leaders make themselves acquainted with the problems of the nation as a whole and take an active part in politics for the general good rather than to advance the interests of a single class.

NOW FOR BANKRUPTCIES

TRUSTEES in bankruptcy have been practically the only group of business men who have not been busy during the pre-Christmas business rush. But they will no doubt be busy for the next month or two. Bankruptcies among smaller merchants and wholesalers are likely to increase.

Trustees in bankruptcy, who are the immediate beneficiaries from failures, state that it has been their experience that the bankruptcy act is being abused. There are too many failures because the law makes it too easy for a man to go bankrupt.

There is still room for improvement in bankruptcy methods.

IMMIGRATION POLICY

AUSTRALIA can comfortably house a population of 20,000,000 people. Only a small proportion of the land area of this Dominion under the Southern Cross is suitable for cultivation. Canada, on the other hand, has room for a much larger population, not less than 50,000,000 people and probably many more. In this comparison alone there lies a good reason why Australia must be more restrictive in its immigration policy than Canada.

Canada can absorb a larger number of European continentals than Australia and still maintain a dominant racial note of a British-French character.

Australia has virtually banned Asiatic immigration, effectively even if by subterfuge and without direct legislative enactment. The dictation test is the means. It is described in a current bulletin of the Carnegie Endowment for International Peace. Immigrants to Australia are required to write from dictation a passage in a prescribed language. No languages are specified or barred by law but the languages can be conveniently chosen to suit any specific case. Hindus and Chinese will be asked to write out fifty words in German or Italian. A known Bolshevist agitator will be probably given a passage in Gaelic. The method is simple and arbitrary, thoroughly unfair but very effective in accomplishing Australia's purposes.

The dictation test is utilized to some degree to keep down immigration from Southern European countries but, in the main, restriction in this direction is accomplished by agreement with the governments of the European countries concerned.

While Australia is active in restricting immigration in certain directions, it is more generous in its aid and attention to British immigration. In that direction there is apparently less hesitation in Australia than in Canada.

However, there are signs that Canada's department of immigration is gradually shaping its views towards policies that will encourage a larger flow of immigration from Great Britain. The unrestricted agricultural immigration plan recently announced by Mr. Forke will be valuable if not hampered by too many regulations. A freer policy of co-operation with outside agencies is indicated by the significant grant of $5,000 to the Salvation Army after all assistance to that body had been arbitrarily cut off. Nevertheless, the total immigration flow to Canada next year may be expected to be less than in 1927 because immigration from continental countries is being discouraged.

WAR DEBTS

CANADA'S interest in the problem of the war debts of the United States of European nations to the United States is not that of the innocent bystander. Any effect war debt settlements have upon the purchasing power of Europe directly touches the Canadian producer. The policy of loaning foreign loans that is immediately involved interests the Canadian investment house and the Canadian investor. Canada, then, has followed the war debts discussion with much interest. The ordinary man on the street in Canada has been ready to accept the picture of Shylock Uncle Sam and to suggest,—since tax rates in the United States do not touch him—that the war debts ought to be wiped off. But there have not been lacking many well informed students of the situation in Canada who have defended the American position that they should be paid within and up to the ability of the borrower to pay.

American opinion has been changing on the war debts question. Time, the great healer, is also the great centripetal force that makes recognizable and concrete opinions out of airy, confused discussion. The Americans now realize that European trade and European financing are worth more to their country than the money value of the international war debts. Questions of right and wrong, of honesty and good faith grow dim beside expediency and many Americans would be willing to accept a situation in which they actually believed they were being cheated out of their just due if, in the ultimate analysis, greater profit to the nation should result. Their attitude is much like that of the large department store that allows a desirable customer to obtain an unfair exchange of goods rather than to refuse the exchange and lose the customer's further business. Even Andrew Mellon, foremost exponent of making the European nations pay what they contracted to pay, has said: "The entire foreign debt is not worth as much to the American people in dollars and cents as a prosperous Europe as a customer."

The Kiwanis Magazine has been discussing international war debts and has had a number of authorities reviewing the question from different angles. The concluding article is by Harold G. Moulton, director of the Institute of Economics of Washington, and a recognized authority on the financial structure of the world. He makes definite suggestions for the solution of the war debts problem, that are both ingenious and cut cleanly to the heart of the problem. He suggests first that all debts contracted prior to July 1, 1918, should be cancelled. He considers that this was about the date that the United States began to assume a proportionate share of the burden of the war.

The debts should further be reduced to allow for the decline in the price level. The totals arrived at by these two processes, together with interest at 4¼ per cent. for the period the debts have been outstanding would be the maximum sums to be repaid by the allied countries. The maximum sums would be further modified, where necessary, in accordance with the ability of the debtor country to pay. Mr. Moulton makes no estimate of the amount of reductions that would be achieved by this method except to hint that the result would be surprising. At present the original debts of $12,000,000,000 have been reduced to a present value of $6,800,000,000 in the settlement plans that have been worked out.

It would not be surprising if finally some plan approximating Mr. Moulton's suggestion, were worked out.

NAMING WINES

IN GREAT BRITAIN "port wine" is wine produced in a certain region of Portugal and exported through the bar of Oporto. To label any other wine port, even if it is virtually the same product, is a criminal offence.

Some wines such as claret and burgundy, have through long misuse of their names, lost any privileged position they ever held and when one orders claret or burgundy one is not entirely specific.

The London Times suggests that Australia and South Africa will probably find it greatly to their advantage, in the long run, to name their wines according to the locality which produced them. "The vine, the soil and the climate make the wine," says The Times, "and to apply the nomenclature of one country to the product of another is to introduce a misleading element of rivalry."

Ontario and British Columbia wine producers have hardly been at their trade long enough to have developed distinctly local wines. Their products, while excellent, are sold with European names. In time, however, we may hope to see Niagara or some British Columbia name come to have a world-wide significance and to become wines of privileged position, sufficient unto themselves.

EDITORIAL NOTES

COLGATE AND GILLETTE advertising is so convincing we may expect soon to see old Santa without his whiskers.

• • •

THE DEPARTMENT store that one week runs a "Made-in-Canada" display will next week run a full-page headed "Gifts from every corner of the world."

• • •

THE FIVE largest investors in the world, all of them life insurance companies, hold, between them, $15,941,667 in stocks. But the Sun Life Assurance Company of Canada alone, which is not one of the five, has $125,000,000 invested in stocks. The Sun Life, alone among great insurance companies, has pursued a policy of investment in sound preferred and common stocks. The policy has proven consistently successful and profitable.

• • •

SOME AMUSEMENT was caused by the forecast of The Financial Post, made in 1920, that Germany and France would shortly be found tied together in economic combination. But the formation of the steel trust and now of the great Franco-German dyestuffs trust have given fulfilment to the forecast. They are but the forerunners of further such combinations of French and German business groups. Great Britain's future prosperity is not likely to suffer as much as the United States from these trusts for British industries are in some of them.

FOLKS and Finance

THE recent convention of the Association of Life Insurance Presidents in New York, not only was attended by many officers of Canadian companies, but revealed the fact that a number of the important United States companies include among their officers natives of Canada.

One of these is Alfred Hurrell, who spent his boyhood in the vicinity of Fort Erie. His father was one of the early reeves of the village of Bridgeburg and Amigari postmaster. He attended the little red school house which until recently could be seen from the grandstand of the Fort Erie racetrack, but his later education was in the University of Buffalo. He practised law in Buffalo, and, following the famous Hughes insurance investigation, became New York state superintendent of insurance. A few years later he became secretary of the Association of Life Insurance residents, and then went to the Prudential Life as general counsel. He is now vice-president and general counsel.

Although without the advantage of having been born in Canada, another widely-known insurance officer, Frederic G. Dunham, lived a number of his early years at Fort Erie, within a mile or two of Alfred Hurrell's home. Mr. Dunham recently became assistant general counsel of the Metropolitan Life, which is an important company in Canada as well as in the United States. Mr. Dunham has followed in Mr. Hurrell's footsteps, to a certain extent. After being graduated from Cornell, he, too, practised in Buffalo and then journeyed to the metropolis to become secretary of the Association of Life Insurance Presidents. In that capacity he became known in Toronto and Montreal. He resigned only recently to join the legal staff of the Metropolitan.

POST-Scripts

THE passing of the horse as a means of conveyance is bemoaned by the officer of one loan company doing business in the West. This company says that its expenses have risen because its inspectors sometimes cannot reach property on which a loan is applied for. Rain and snow soon tie motor vehicles, and horses cannot be hired or borrowed.

Yet the officer of another loan company says that a loan in a Western province often is more desirable, from the point of view of the lender, than is a loan on a farm property in Ontario. If the Western borrower is a worker, is on reasonably good land, and is not extraordinarily unfortunate as to weather, the loan in the West is likely to be paid off promptly—sometimes too promptly for the company which is ever seeking good outlets for its cash.

On the other hand, it often is found that Ontario farmers are inconvenienced by lack of help and by other conditions not unrelated to the industrial development, and that, even if the Ontario farmer is ordinarily fortunate, he cannot expect to earn money as rapidly as the wheat-grower on the Western plains.

THE big boom in the mining market has created serious problems for the brokerage houses. Their staffs have been over-flowing into hallways and ante-rooms. There is hardly a brokerage house that has not been, in a growing degree, cramped for space as it has continually added to its organization.

One brokerage house that moved into new and larger quarters found its new quarters a tight fit before it had been in them a few months. In sheer desperation it hit upon the scheme of a double shift of its clerical force to handle the volume of orders that was coming in and to relieve the pressure on space as well as time. There is now a day staff and a night staff in this office, just as though it were a foundry or a fire hall.

The night staff of bookkeepers has proven to be an excellent idea for a brokerage house. Trading on the exchange is completed at three o'clock each day. It takes until about five o'clock to get confirmations out to customers. The book-keeping staff cannot begin to get the trades posted to customers' ledgers until after that hour. A night staff of bookkeepers comes in, posts trades to the ledgers, and balances the books. When the day staff comes on in the morning a complete set of books is ready, balanced with all of the previous day's transactions.

A COUPLE of young Canadian mining engineers are gloating over the trick they put over one of the big mining companies. These engineers had been sent to examine a certain property and to make a report on it. They were interested in the property themselves. Next door to their property was a similar property which had been developed by the large mining company to the extent of a shaft and considerable cross-cutting. The mining engineers determined that if they could get down in the other mine and examine the formations of the ore bodies, their general direction, etc., they would know more about their own property than they could discover by the usual surface examination. But the big company refused them permission, when they wrote to its head office.

Shortly afterwards the big company advertised for a contractor to do some underground work on its property. The engineers who were not known to the mine manager applied for the contract and said they would like to examine the property, to see what kind of rock they had to deal with, before submitting a price. Permission was granted. To make their tender they were allowed below and they made a thorough examination of the entire property and even did some sampling. When they were through they had the information they wanted about the big mine.

The detective work went even further for they made a bid on the job and got the contract. This gave them several additional weeks to study the geology of the property and thus to arrive at satisfactory conclusions as to where their own drilling and shaft-sinking should be done.

THE bouyant, boiling and boisterous stock markets of the past six months have enhanced greatly the market price of seats on the exchanges. A year or so ago, a seat on the Montreal Stock Exchange could have been bought for $40,000. This week $65,000 was bid with no transaction being effected. It is believed that bids for seats will have to touch the $75,000 figure before securing results.

The increasing public interest in the markets has also brought larger profits to the stockbrokers. As The Financial Post pointed out recently, the commissions on shares traded in on the Standard Stock and Mining Exchange in Toronto in one month were larger than the total gold production of the North Country. The bettered earnings of the brokerage houses have in part been handed on to the staffs. One large Montreal house paid its employees several bonuses of a month's salary during the past year. The total salary distribution for the year of this house will be equivalent to over two full years' payments.

Comments

Remarkable Remarks by Interesting People

J. Murray Gibbon, Montreal ad-man, author, trail-rider, and after-dinner speaker: "The first historic record of singing in Canada is identified with Nova Scotia, and goes back to the year 1608, when Champlain founded his Order of Good Cheer to keep up the spirits of the garrison at Port Royal. This was a sort of forerunner of the modern Rotary or Kiwanis Club, and the programme undoubtedly included community singing."

• • •

Arthur Boutilier, Maritime fishing magnate: "Undoubtedly the most modern machine devised for the production of fish, the steam trawler, is meeting with the same opposition that met the power loom and the spinning jenny in England. The natural conservatism of the fisherman sees in the new method a menace to the older methods of fishing, and he naturally opposes it."

• • •

Rt. Hon. Winston Churchill: "The Socialists posed as representatives of Christianity and brotherhood, but in practice we find among them the most quarrelsome of people."

• • •

Haley Fiske, President Metropolitan Life Insurance Co.: "It seems to me that it is rather a silly thing for a man to chase a quinine pill around a field all day, and I am not going to start now. Every morning for twenty minutes I do the setting-up exercises broadcast by our health department, and I walk a great deal. That is all the exercise I get. It and work have spelled success for me during the last thirty or forty years."

• • •

Herbert Ditchburn, boat-builder of Gravenhurst: "The product of Canadian boat-builders is of a quality that is equal to anything produced anywhere else in the world, and in small boats and canoes Canadian builders have for years past set the world standards."

• • •

Sir Robert Horne, ex-Chancellor of the British Exchequer: "I am glad to see American capital developing Canadian resources, for it is much better that those resources should be developed rather than remain in abeyance.

"The truth is that countries are not affected or controlled by the capital they bring in from outside. You have a most sinister example to the contrary in Russia."

• • •

Paul Schleissner, Editor, Tobacco Record: "Tobacco is not a weed. It is the most misrepresented, slandered, honest, respectable domestic plan ever cultivated by man. Everybody, even smokers, persist in speaking of tobacco as a weed. Webster distinctly designates this application of the word as slang. A weed, properly speaking, and men should speak properly, is, according to the same authority, "any plant growing in cultivated ground, to the injury of the crop or desired vegetation, or to the disfigurement of the place; an unsightly, useless or injurious plant." Far from unsightly, tobacco is admitted to be a rather stately, handsome, symmetrical plant. It is useless only to those who do not use it, and injurious only to those that abuse it."

Stock Market Transactions

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J. STRATHEARN HAY
Member Toronto Stock Exchange

"Stop Me If You've Heard This One"

The secretary of the company had received his appointment more on account of his wealth than his ability, and when dictating, was not at all sure of his ground. Turning to his stenographer one day, he said: "Let's see, do you retire a loan?" The dreamy stenographer, with thoughts miles away, answered, "No, sir, I sleep with my mamma."

A little Jewish boy was standing on a street corner, making the welkin ring with great sobs and exclamations of distress. About him there soon gathered a large crowd of wouldbe sympathizers.

"What is the matter, my little man?" asked one of the crowd. "Are you lost?"

The boy ceased his wailing. "I am," he answered. "I'm lost. Won't you all take me to Goldblatt's Cut-Rate Tailoring Shop, at 234 Rosen Street, which has just opened up a marvelous sacrifice sale on men's pants and suits at fifty per cent. below cost."

Government, Provincial Municipal and Corporation Securities

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Members Toronto Stock Exchange

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BANK OF TORONTO BUILDING
TORONTO

"Unborn Tomorrows and Dead Yesterdays"

"Why fret about them if today be sweet." Thus Omar, or should the credit be to that sweeter singer, Edward Fitzgerald?

It matters not in literary philosophy; nor do dead yesterdays matter in the Kingdom of Commerce. But *today* and *tomorrow*—these are the well springs of hope, the inspiration to living.

And just as you love the promise of each day and each tomorrow in your business—the child of your brain—so do I love mine. My greatest pleasure is in turning out good advertising for my customers.

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INQUIRIES INVITED

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries or sheets separate from other investment inquiries.

Canada Malting

I would very much appreciate your opinion on Canada Malting.

The outlook for Canada Malting Co. is reasonably good for any investor who is willing to be patient.

Loblaw

Would you kindly tell me what to do with Loblaw common, bought at 85?

We do not believe you have any cause to worry because you bought Loblaw's common stock at 85.

The Loblaw Co. appears to be progressing and we think the long term view of the stock is excellent.

C. S. L. Bonds

Are the first and general mortgage bonds of the Canada Steamship Lines a satisfactory investment?

We believe that the position and earnings of the Canada Steamship Lines, over a term of years, will show a betterment. Thus, we regard the bonds as a satisfactory investment.

Four Speculations

I am a business man and have been advised to purchase: B. A. Oil, International Nickel, International Utilities A and B. What do you think of these recommendations?

British American Oil shares are an attractive long hold investment for a business man. If held over a term of years, the stock looks attractive.

International Nickel is also a buy for a business man, but it appears more speculative than British American Oil. Nevertheless, we believe that International Nickel is an extremely attractive buy for a long hold—its potentialities are even greater than those of British American Oil, in our estimation.

International Utilities A, we consider to be a business man's high yield investment. It may appreciate.

International Utilities B is a business man's gamble—a gamble, though, that looks attractive. Recently the stock moved up from around 6½ to over 11, but has just declined to 9½. If you can buy it at these prices and put it away for a few years, we think that the stock stands an excellent chance of showing a real appreciation. You must remember, though, that the B stock is an out and out speculation.

"MOIRS"

THE 6½% First Mortgage Bonds of Moirs Limited of Halifax are a particularly attractive investment. The Company's assets are equivalent to $2,400 for each $1,000 Bond; and its net earnings for the last fiscal year were 2.96 times bond interest requirements.

The Company owns one of the largest, oldest and best known chocolate and confectionery manufacturing businesses in Canada. Its plant and equipment are of the most modern type.

At the price of 103 and interest, the income yield from these Bonds is over

6.25%

You can purchase $100. $500 or $1,000 Bonds, maturing January 1, 1946.

Descriptive circular will be supplied upon request.

Royal Securities Corporation
LIMITED
164 St. James Street, Montreal
Toronto Halifax Saint John Quebec
Winnipeg Vancouver New York

J-132

Lake St. John Power

Are the bonds of the Lake St. John Power & Paper Company a sound investment?

The Lake St. John Power and Paper we regard as a satisfactory industrial bond. We believe the company will do well in the future.

Chile Bonds

What is your opinion of the 6 per cent. bonds of Chile?

The Republic of Chile 6's appear to be a satisfactory issue in the Latin Republic bond class. We presume your holdings are sufficiently diversified to permit the purchase of high yield bonds of this kind.

Metropolitan Bonds

What is the position of the bonds of the Metropolitan Corporation?

The bonds of the Metropolitan Corporation have, we understand, not met with a particularly satisfactory reception from the investing public and the bonds are still being offered at 99. However, the issue seems well secured, both as to assets and as to earnings. It looks like a reasonably good issue in the real estate bond class.

National Securities

Will you please give me information on bonds of the National Securities Corporation, Ltd., Toronto, incorporated under the Ontario Companies Act?

We have no information on our files regarding the bonds of the National Securities Corporation, Ltd., which you state is incorporated under the Ontario Companies Act.

We would suggest that you get in touch with the Provincial Secretary, who will be able to tell you if this company is still in existence.

Cosgrave Export

Would you please let me have your opinion on Cosgrave's common, from the long pull point of view?

The common stock of the Cosgrave Export Brewing Co. is attractive for a moderately long hold. The principal danger in the brewery stocks in Ontario is the fact that the companies have only one customer, excepting for the so-called export market. This one customer, the Ontario government, fixes the prices. At present prices there is a profit in brewing beer, but this profit may not always be continued.

Ontario Tobacco Plant

May I ask your opinion of the Ontario Tobacco Plantations, Ltd., as a speculative investment for a small portion of one's funds?

The preferred stock of the Ontario Tobacco Plantations, Limited, is a business man's investment.

The idea back of the formation of this company is sound, but the fact must not be overlooked that if the British Government decided to again change the tariff on imports of tobacco, producers in this country would not be in such a favorable position in regard to the export market. There is, however, a growing domestic market, but we would judge from the literature put out by the Ontario Tobacco Plantations that they expect to market a considerable proportion of their crop in the British Isles.

Spanish River

What are your views on Spanish common as a long term investment?

The newsprint industry is passing through a period of thin times and the present outlook is that these unsatisfactory conditions may persist for many months yet. This leads us to the belief that broadly speaking the shares of newsprint companies are selling to-day perhaps a little too high.

Nevertheless, we shall be surprised if you are able to pick up Spanish common at very many points below the prevailing level. As you are aware, it is to be exchanged for two shares of new Abitibi Power and Paper stock when the merger takes place at the end of this year. The new Abitibi stock will pay $4 per share annually. If you intend to put this stock away permanently it looks like a good investment to us.

Winnipeg Electric

What do you think about Winnipeg Electric common and the possibilities of an increase of the dividend rate?

Ultimately, the prospects for additional dividend payments to the shareholders of Winnipeg Electric are excellent. Whether or not the shares will go on a $4 annual dividend basis next year, depends naturally on the attitude of the directorate. There is no doubt though that eventually the shareholders can look for increased disbursements. We regard Winnipeg Electric common as an excellent hold.

Dominion Textile

I bought Dominion Textile common at 135. What do you think of the price and the stock?

You can regard your common shares of the Dominion Textile Company as a long-hold sound investment. This is our opinion of the stock.

You have paid a good price for the shares, but whether the stock appreciates or falls off a point or two in the immediate future, does not matter, for as a long hold we believe the stock will appreciate. In the immediate future the price of the stock will probably vary with the ups and downs of the market.

Cochrane Hay & Co.

I am contemplating dealing with Messrs. Cochrane Hay & Co., of Dominion Bank Building, Toronto. Would you tell me if you consider them a reliable firm?

We consider the firm of Cochrane Hay & Co., Toronto, to be thoroughly reliable and financially responsible. The partners are experienced investment bankers and are among the most aggressive of our younger financial men. They have not been associated with any enterprises of a doubtful character and we feel they would be very careful about any investment they placed before the public.

General Steel Wares

What do you think of the new bond issue of the General Steel Wares

General Steel Wares 6 per cent. bonds have not met with a particularly good reception from the public, we understand. The company operates under able management and we anticipate that as the operations of the component companies are consolidated, very substantial savings will result. The issue is probably satisfactory but is not yet seasoned. In its initial year of operation, we believe that the management will be able to show that the merger of the component companies has worked out well.

Commerce and Transport

A customer of mine has been solicited to purchase some shares of the 7 per cent. preference of the Commerce and Transportation Building at $10 per share, carrying a bonus of one share of common with each $100 of preference. Would this be considered a conservative investment for a widow who has nothing to lose?

Purchase of preferred stock in a real estate proposition is necessarily speculative. If investment is made in a real estate undertaking then, in our opinion, it should be confined to the first mortgage bonds when such security is amply protected by an adequate appraisal of property. We do not think that the 7 per cent. preference shares of the Commerce and Transportation Bldg., together with its bonus of one share of common with each $100 of preference is a sound investment for a widow.

Western Grocers

I have ten Western Grocers Co. Do you think it safe? I paid 77 for them.

You do not state whether it is the preferred or common of Western Grocers which you hold. We presume it is the preferred since you paid 77 for it.

The future of this company is somewhat speculative in view of the adjustment now taking place in the wholesale grocery trade. The company has attempted to meet the new conditions by organizing an affiliated chain of stores owned by individual grocers, but purchasing supplies through this company. Eventually Western Grocers should be able to find more solid ground, but now it is meeting competition not only from smaller wholesale houses, but from changing merchandising conditions.

Western Canada is now the most prosperous part of Canada and this will work to the advantage of Western Grocers. The company should be able to continue to earn the preferred stock dividends without difficulty.

Christie Brown

The writer purchased recently 50 shares of Christie Brown common, after reading your comments, and understand this company is calling its preferred. What will the situation be as to capital and earnings after this transfer is carried out?

If all the holders of preferred stock in Canadian Canners exchange their stock for new shares, as is to be expected, there will be outstanding 105,000 shares of common stock, as against 81,342 shares at the present time. If the current rate of dividends, that is to say, $1.20 per share per annum, is maintained, this will take $126,000 a year for dividends, as against $130,343 paid out for dividends on the preferred and common shares in 1926.

However, it is to be assumed that the company will increase its dividend rate as earnings have almost doubled for the current year. Earnings will be at the rate of about $3.50 per share on the common stock, allowing for the transfer of all the preferred stock into new common shares.

This is assuming that earnings for the last six months of the year will be approximately the same as earnings for the first six months.

United Bond Co.

Will you kindly give me a report on United Bond Co. of Windsor?

The United Bond Company of Windsor is a reliable institution, affiliated with a large American organization which has had many years of successful experience in the real estate bond field. We consider them a responsible house.

West. Canada Flour

What do you think of Western Canada Flour Mills common stock at present levels, for a hold?

Western Canada Flour Mills earnings have turned the corner and the president of the company expresses himself as optimistic for the coming year. The stock would seem to offer a real opportunity for a hold.

Northern Bakeries

Would you please let me have your opinion of this stock for a business man (on margin)?

Northern Bakeries has shown a remarkable increase in earning power since purchased by a Canadian group last summer and we think that its value could be placed at above present market. We understand that an offer of $48 a share was made to the company, but has not yet been accepted.

There is probably not a large immediate advantage to be had in purchasing Northern Bakeries now, although we feel that for a hold of a few months there are excellent speculative opportunities in it.

Manufacturers' Finance

I would like to know your opinion about the value of shares of Manufacturers Finance.

Investment in Manufacturers' Finance Corporation should be reasonably safe, although the outlook for the company is only moderately promising. It is difficult to check the exact progress that has been made for the reason that absorptions from year to year make structural changes in the balance sheet.

You might have observed that these finance companies rarely show any very substantial profits, except in the case of those companies which are the direct subsidiaries of, or have direct affiliations with, some of the larger automobile manufacturers.

Cochrane-Dunlop

Kindly give me your opinion on Cochrane-Dunlop Co.'s issue of 6½ per cent. series A, first mortgage twenty-year, sinking fund gold bonds.

We would not advise you to purchase Cochrane-Dunlop Co. bonds. The appointment of a trustee for the Canadian Department Stores has thrown this hardware merger back into the negotiation stage. The merger will have to be set up on a new basis and it is possible that the purchasers of the first mortgage bonds will receive either their cash, or an opportunity to subscribe for the bonds of a new merger.

There is no assurance that the merger will go through and investors would be wise to await the outcome of the present negotiations before purchasing the bonds.

Queen's Park Plaza

Will you give me particulars of Queen's Park Plaza?

Queen's Park Plaza is an apartment hotel now being erected in Toronto. The first mortgage bonds of this building now being offered by United Bond Co. are reasonably safe investment securities. There is considerable speculation in a new enterprise of this type, particularly when the structure is a new type of building being erected in a location that has not yet proved its value as a location for an apartment or hotel. The first mortgage bond issue is protected by the investment of junior money but we cannot unreservedly recommend it for every type of investor.

We do not care so much for the general mortgage bonds which follow this issue and which are to be regarded as somewhat speculative.

Montreal Abattoirs

Have you any information on the shares of the Montreal Abattoirs?

We understand that the Montreal Abattoirs was wound up two years ago and that the shares have no value.

For further answers to investors' inquiries turn to page 44.

Book Reviews

Economics of Instalment Selling

Instalment selling is analyzed and dissected in this fine work by Professor Edwin R. A. Seligman, of Columbia University. He finds the partial payment plan to be a healthy contribution to modern business, a development that has actually added to prosperity and purchasing rather than detracted from it.

The profusion of discussions on the question of instalment selling that have flooded the press of the United States and Canada for the past three years have made the problem of instalment selling appear more complex than it really is. A scientific analysis of the problem was badly needed, an impartial examination of every phase of instalment selling, that would at the same time provide a text book for study by students. Prof. Seligman, in this excellent work, gives us that. Prof. Seligman is an economist of undoubted authority. He had fine backing in the production of this work. It is known that the General Motors Corporation placed its immense resources in organization and contact at his command and he had also the benefit of minute surveys of every phase of the problem by students of Columbia University. Professor Seligman's product is two volumes, admirably concise despite their thoroughness, monumental as models of this type of work, both interesting and accurate.

A summary of Professor Seligman's views has also already been given in this paper. They are well reasoned and, while challenging, are probably to be regarded as the soundest yet recorded in print. This volume can be unreservedly recommended to every business man, banker, credit man or student interested in a practical or academic way in the keenest of current economic problems, that raised by the rapid growth of instalment selling.

This volume, "The Economics of Instalment Selling," is published in Canada by the Musson Book Company at $9.

When Women Invest

Exchanging Government Bonds for Industrials Requires Care; Equality of Sexes in Mines

A Weekly Feature.

Probably half the inquiries The Financial Post receives from women, concern a proposed exchange of government war bonds for industrial bonds which give a higher yield. Many women acquired bonds during the war and have held no other investments. Soon or late, nearly all women are approached by the ubiquitous bond salesman, with an attractive exchange as the object.

It is suggested that those who give up their government bonds for something which is not a direct obligation on the government and people of Canada, should consider well and obtain disinterested advice.

Is Seller of Good Repute?

First of all, however, it is essential that the house offering the bonds, be of known good repute.

Second, the industrial bonds of first grade must be bonds which are a first-mortgage on real property.

Third, all one's government bonds should not go into one kind of industrial bond. The industrial bond is not so safe as a government bond, but a variety of bonds which are mortgages on a variety of properties in a variety of essential industries may be, for all practical purposes, as good as a government bond.

A prominent Toronto executive this week complained that, with the women discussing Christmas and the men talking mines, very little work was being done. And this employer is neither a Scrooge as regards Christmas nor a Mark Twain as regards mines. He was merely voicing the opinion that both were a little overdone.

Yet one wonders if he was correct in assuming that the women are not interested in mines, also. There are brokerage houses which will not handle women's accounts on margin, but there are others which are doing so and making money in the process.

Undoubtedly, there are women interested in mining stocks who should be confining their investments to the safest bonds. But the same may be said for the male sex, and in these days of intellectual equality, one must risk being defined as a reactionary if one is to limit the field of women's investment for those women who are independent and self-reliant.

There are many independent and some self-reliant women. Their speculations in mining stocks are as likely to result successfully as are men's when pains are taken to avoid commitments on real information rather than on impulse.

Facts affecting Stock Values

A letter devoted to discussing underlying factors affecting stock values is issued weekly by our Stock Exchange Department.

It also discusses current items of interest affecting individual companies, interprets balance sheet figures, etc.

You can obtain a copy of the current issue by telephoning, writing or calling.

Write to Dept. 4

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FOR WHAT IS YOUR SON BEST FITTED?

Haphazard choice of a vocation on your son's part may waste years of his life and defeat his talents. Many parents are enthusiastically grateful for my vocational suggestions which have resulted in their sons' happy and successful development.
Send specimens of handwriting for character vocational and health analysis, to Psychographologist, P. O. Box 701, Ottawa, Ont. Full fee, $3.00. Prompt reply.

Other People's Views

Dangerous Self-Complacency

Quebec Chronicle-Telegraph: We are not sure that Canadians are not developing a dangerous measure of self-complacency. After all, we must thank Providence for the richness of our natural resources, rather than any merit of our own. And it is very much a question if we have been making the best possible use of them thus far.

Alive to Menace of Dole

"Our Empire," London.—But of all these causes no single one has more effectively hindered our post-war recovery than the abuse of what is commonly called "the dole."

In its origin a wise and prudent expedient for meeting the worst vicissitudes of modern industrial life, the State's scheme of unemployment insurance was intended to pay to unemployed workers benefit for which, in part, they had themselves paid. In practice, it has facilitated heavy demands upon the public purse at times of unforeseen industrial stress and, by making idleness more attractive than work, has done more to demoralize the workers than has the most subtle propaganda of the Bolsheviks. The British Empire was created by independent spirits that dwelt in virile bodies—bodies that thrived on labor; spirits that fed upon that labor's dignity. And it will only be kept together by men of the same breed and type. Rome fell when her citizens thought more of the circus than of the plough, and were certain, more or less, of receiving bread without working for it. In the Mother Country during recent years has risen a parallel perilously like that tragedy of 2,000 years ago; and it is because of that imminent danger to all that we hold dearest that we welcome the positive evidence disclosed during last month that those in authority are alive to it.

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With Seventy-two years' valuable experience to its credit and with an organization extending from the Atlantic to the Pacific, the "Canada Permanent" offers you a financial service that will fully meet your requirements.

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STANFORD'S COMMON ATTRACTS ATTENTION

Large Equity in Real Estate is Back of Company's Securities

A feature of Stanford's, Ltd., the common stock of which has attracted attention during the past month, is the large equity in real estate back of the company's securities. It is estimated that there are about $80 in realty values back of each first preferred share outstanding.

The upper storys of Stanford's main store in Montreal are being converted into apartments at a cost which will give a high return on the outlay. Stanford's already receives considerable revenue from apartments over its main store on Mansfield Street, which it owns outright. Earnings from this source are of a particularly stable and dependable character.

Real estate holdings of the company, all of which are located in the busy retail district of the city, are valued by independent valuators at a figure in excess of $400,000, as compared with a first preferred stock issue outstanding of $500,000. There are no bonds. Few, if any, 7 per cent. preferred stock issues selling in the lower nineties can point to such a backing of realty assets.

The new management is steadily improving the administration of the business, devising new systems of checking up on results, introducing efficiency methods and generally endeavoring to give the public the highest quality food stuffs at the lowest possible cost consistent with that quality.

An initial quarterly dividend at the rate of one per cent. per annum has just been paid on the common stock of this company.

Southwest Engineering Corp. Wants Mining Fields Business

From Our Own Correspondent

MONTREAL.—The Southwest Engineering Corporation, which controls the Radiore Company, has stationed its own sales representative, E. R. Cullity, in Montreal. The Southwest Engineering Corporation is engaged in the manufacture of flotation machines, and is making an energetic bid for the business offered by the mining fields.

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News of Investment Markets

CANADA OFFERED PORTION OF ISSUE OF PERU BONDS

Dominion Bond Houses Are Handling Financial Deal for Public

Over $5,000,000 of the $50,000,000 six per cent. external bond issue of the Republic of Peru, is being offered in Canada this week by Dominion Securities Corp. and other Canadian bond houses. This issue was underwritten in New York.

Because of the decline in the yield of domestic securities and the comparatively high return on foreign government bonds, the latter have been marketed in increasingly large quantities in this country. Favorites with Canadian investors have been the South American countries.

Industrial development in the countries of South America has prevented their debt from assuming too large a proportion to their total wealth. Figures showing the indebtedness per capita of seven leading countries, together with the ratio of per capita wealth in 1926, are given in the following table:

Country	Debt per Capita 1926	1922	Ratio to Wealth
Argentina	$ 93.90	$73.80	6.51%
Bolivia	15.50	10.10	5.11
Brazil	30.20	26.20	5.70
Chile	81.80	61.30	9.83
Colombia	3.40	10.10	1.13
Peru	12.30	9.20	3.69
Uruguay	127.50	89.20	12.30

Particulars of the Peru issue follow:

$50,000,000 Republic of Peru National Loan, 6% External Sinking Fund Bonds, First Series

Dated December 1, 1927. Due December 1, 1960.

Purpose of Issue—Among others, of refunding the entire external secured debt of the Republic. Remainder will be used to retire short term interim indebtedness: establishment of gold exchange fund; payment of Government's share of capital of the Mortgage Bank of Peru; construction and improvement of dock and shipping facilities at Callao; and carrying forward public works now under construction.

Security—Will be direct obligation of the Republic.

General—Peru is the third largest country in South America and has a population estimated at 6,000,000. It is rich in minerals and agricultural resources. It is the world's third largest producer of silver and for many years has exported large quantities of low-cost copper. Its petroleum resources, considered of great potential value, are being rapidly developed by foreign capital.

Debt—Total public debt of the Republic as of June 30, 1927, was $82,174,967 (exclusive of $1,500,000 municipal debt guaranteed by the Republic).

Sinking Fund—A cumulative sinking fund will be provided, calculated to retire all these bonds by maturity through semi-annual drawings by lot for redemption at their principal amount and accrued interest.

Offer—Dominion Securities Corp., in Canada, at 91½ and accrued interest, to yield about 6.80 per cent.

BRITISH COLUMBIA TO PLANT TREES FOR FUTURE USE

Policy of Government is to Extend Forests Gradually

From Our Own Correspondent

VANCOUVER.—British Columbia will soon be embarked upon a comprehensive reforestation scheme designed to permit existing pulp and paper mills to increase their production substantially and at the same time be assured of a perpetual supply of raw material.

At present, however, the need for active reforestation on a big scale is not pressing, in the opinion of pulp and paper executives and government officials. Experiments are being carried on in a small way with a view to establishing new timber on burned over areas better suited for forest crops than any other. Within the last few months the British Columbia government has established a nursery for young conifer trees near Victoria and these are transplanted from time to time to provincially-owned forest reserves set aside in various sections for the establishment of permanent timber stands.

Extend Forests

The policy of the government, according to Hon. T. D. Pattullo, minister of lands, is to extend these forests gradually and see that they are carefully protected from the fire menace and ruthless logging operations, so that they will be available for scientific handling in years to come.

The contention, once firmly held in many quarters, that the forests of the Pacific coast were virtually inexhaustible, has now been largely dispelled. The biggest timber operators of Washington and Oregon are acting accordingly. The Long-Bell timber company and the Crown-Willamette pulp and paper interests are taking the lead in adopting scientific reforestation programmes. In British Columbia, where the Crown Willamette has large pulp and paper interests, these operations are being watched with keen interest as they may be used as a basis for reforestation work here later.

Young Trees

The Crown Willamette foresters are planting 950,000 young trees this winter and next winter the number will be increased to 2,000,000. Two thousand acres will be planted in young trees in the Youngs River area alone. The company began this work in 1925, when 100,000 wild spruce trees were transplanted. Owing to their size and lack of fibrous roots 50 per cent. of the trees died and British Columbia experts were inclined to think that reforestation on this coast was doomed to failure. The company persisted, however, and planted 230,000 two-year-old nursery stock trees last January. Ninety-eight per cent. of these trees are reported to be thriving now, so that the experiment is generally regarded a success.

The situation as it affects private companies is somewhat different here from Washington and Oregon. In the States the timber holders own the land, while over here most of the timber is obtained from the government on a stumpage basis.

Bond Notices

All of the outstanding six per cent. first and refunding mortgage gold bonds of the Laurentian Power Co., are being redeemed at 110 per cent. and accrued interest to the third of January next, at the principal office of the Imperial Bank of Canada, Montreal, or at the office of the bank in New York.

Bond Redemptions

	Rate	Due	Redeem.	Price
Shawinigan "B"	6%	1950	Jan. 1	105
Do., "C"	6%	1950	Jan. 1	105
Do., "D"	5½%	1954	Apr. 1	105
Do., "E"	5%	1955	Apr. 1	105
Do., Cons Mtge.	5%	1934	Jan. 1	110
Gatineau Pr.	6½%	1940	Jan. 2	102½
Pt.Alfred Pulp "B"	6½%	1943	Apr. 1	104¼
Jacobs Bldg.	6½%	....	Jan. 1	105
Nat. Breweries (Call part only)	6%	1939	May 1	105
Ottawa Gas	6%	1939	Mar. 1	103
United Sec., pfd	6%	....	Jan. 2	105
Spanish River (S.F. only)	6%	1931	Jan. 1	110
Canada Cement (Old company)	6%	....	Mar. 31	110
Fraser Co's, pfd.	7%	....	Jan. 30	105
Christie-Brown, pf.	7%	....	Feb. 1	115

MAYOR BUILDING NEARS COMPLETION

Bell Telephone Company in Montreal Has Rented Space Already

Work on the Mayor Building is fast nearing completion. Consisting of eleven storeys and basement and faced with benedict stone, it presents an imposing appearance.

A lease of the ground floor has been made to a cafeteria and possession will be taken about the first of the year. The Bell Telephone Company has rented space in excess of a floor and a half at a rental greater than that estimated when the 6½ per cent. first mortgage bonds were offered last spring.

The whole building is very favorably commented on in Montreal and the opinion is it will be quickly rented soon after completion.

The property on which the Mayor Building stands was originally granted to an old settler who came to Montreal after the Battle of the Plains of Abraham and was deeded to him by the Crown in recognition of his services. At one time the property was part of a rich estate extending from Mayor Street to the St. Lawrence River.

Further Issue is Made of Inter. Paper's Stock

The International Paper is offering to the holders of its common and cumulative 6 per cent. preferred shares, a further issue of the company's 7 per cent. preferred stock. Holders of the common and 6 per cent. preferred shares will have the right to subscribe to one share of new 7 per cent. preferred for each 10 shares held.

The price to the shareholders of the new preferred stock will be $107.50 a share and will carry cumulative dividends from January 15th next. The rights thus available to common and 6 per cent. preferred shareholders will have a market value.

The proceeds of the new offering of 7 per cent. preferred will be used to reimburse the company in part for various capital expenditures.

The following balance sheet of the company reflects its position as at October 31 and also includes the issue and application of the present $15,500,200 additional 7 per cent. preferred, of which just over $10,000,000 is being offered to the shareholders, and of $12,500,000 6 per cent. preferred stock of Canadian Hydro-Electric Corporation, and the retirement of all International Paper 6 per cent. convertible debentures.

Assets	
Fixed assets (after dep.)	$237,618,088
Current assets	44,812,080
Other assets	13,749,472
	$296,179,640
Liabilities	
Funded Debt:	
Pulp and paper properties	$ 46,166,317
Power subsidiaries	56,171,407
Current liabilities	8,519,710
Reserves	8,030,524
Subsidiary stocks	12,849,600
7% preferred stock	87,268,300
6% preferred stock	2,227,400
Common—no par	52,259,521
Surplus	22,686,761
	$296,179,640

An attack of bronchitis culminated in the sudden passing of A. E. Hagerman, retired branch manager of the Bank of Montreal, at his home, 16 Avoca avenue, Toronto.

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PREFERRED ISSUE OF McCOLL-FRONT. IS OVERSUBSCRIBED

Common Shares Look Like Attractive Purchase for Business Men

From Our Own Correspondent

MONTREAL.—Due to the success already achieved by the Frontenac Oil Refineries in the first year or two of its operation, and due also to the popularity of the oil stocks as a group, the new preferred share issue, carrying with it a bonus of common of the McColl-Frontenac Oil Company was largely oversubscribed by investors, even before the price of the offering was made public. As the company is not a producer of petroleum, the ups and downs and the price and the present overproduction of crude oil, does not affect the earnings of the company. The consolidation of the two predecessor companies in the McColl-Frontenac Oil gives the new organization a nation-wide distributing service. Cyclo gas, a new and efficient type of motor fuel, was introduced early this year by the Frontenac Oil Refineries and has proved its commercial possibilities. For the future, the larger distribution which Cyclo gas will enjoy should have a decided bearing on the new company's earning power.

While the offering consisted of preferred stock carrying a bonus of two common with every five shares of preferred, an additional small block of the common stock was offered at $30 per share. The common stock offering was snapped up quickly with the result that prices between brokers are now materially in excess of the offering figure. In view of the success of the predecessor companies and the new type of gas which Frontenac has been producing, the common shares look like an attractive purchase for a business man.

Particulars of the issue follow:

$7,500,000 McColl-Frontenac Oil Co.

6 per cent., cumulative, sinking fund, preferred stock.

Capitalization	Authorized	Issued
6% pref.	$10,000,000	$7,500,000
No par com.	750,000 shs.	425,000 shs.

Business: The company is acquiring all the capital stock of McColl Brothers, established 1873, and the Frontenac Oil Refineries. This consolidation has branches advantageously located in eight provinces, providing facilities from coast to coast for the distribution of its products. One refinery is operated on Toronto harbour and the other on Montreal harbor. The company owns valuable lands and oil tanks in Buffalo and the exclusive right for the production of Cyclo gas in Canada.

Assets: The market value of the acquired securities is in excess of $13,000,000. Net current assets will be approximately $4,000,000.

Earnings: At the present time net earnings on the new common stock amount to about $1.80 per share a year. The consolidation should, in 1928, result in increasing materially earnings applicable to the common. Earnings on the preferred shares at present are equal to 2.6 times the preferred dividend requirements.

Sinking fund: Commencing 1930, ten per cent. of the annual revenues available for distribution on the common will be set aside to retire the preferred shares.

Management: Will be essentially the same as has been enjoyed by the two predecessor companies.

Offered: December, 1927, by a syndicate headed by Nesbitt, Thomson and Company, and McDougall and Cowans at par to yield 6 per cent., carrying a bonus of four shares of no par value common with every ten shares of preferred.

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ALCOHOL CHANGES TREASURY STOCK INTO CLASS "B"

Quarterly Dividend is Increased, Placing Stock on $1.52 Basis

From Our Own Correspondent

MONTREAL—Shareholders of Canadian Industrial Alcohol are to be offered one share of new stock for every eight shares now held. At the special general meeting of the company, the shareholders ratified the proposal of the management to convert 500,000 shares of treasury stock into Class "B" without voting privilege. The Class "A" stock issue is now outstanding.

For the dividend payable January 15th next, the management increased payment to 38 cents per share which is at the rate of $1.52 per share per annum and compares with the rate of $1.28 annually.

Excellent Outlook

At the annual meeting of the shareholders which took place at the same time as the special general meeting, Lord Shaughnessy, the president of the company, traced the substantial growth of the company, and stressed the excellent outlook for the future. He made the point that it is the intention of the management to create a strong corporation in a basic industry in which investors may place their funds without fear for the future, rather than to bring a temporary benefit to speculators.

The new directors have been appointed to the company—F. Wilmore and A. Kelly, both executives of the organization. They replace W. J. Hume and W. F. Rainer.

Regarding the purchase of the control of the McNish Distillery, Lord Shaughnessy said that during the year it became necessary for the company to enter the Scotch whiskey business in conjunction with its other lines and with that end in view it purchased control of the Robert McNish and Company which has been doing business for over 70 years. Financing was carried out with a view to developing an expanding business throughout the world. Continuing, he said that the company's efforts had met with success and that this subsidiary is progressing most favorably and in the course of a year or so, should bring a large revenue to the parent company. During the first quarter of the present year there has been an improvement in volume and profits over the corresponding quarter of last year.

Lord Shaughnessy's remarks to the shareholders, in part, follows:

Increased Expenditure

"With increased earnings due to increased business comes the obligation of manufacturing large stocks in order to cope with the demand for your company's products and the manufacture of large stocks necessarily entails greatly increased capital expenditure. I do not think that the shareholders generally realize the large amount of capital that is required to carry on such a business as ours. In the first place the provisions of law make it compulsory to mature beverage spirits for at least two years before being used and that, of course, is only the legal provision, since, as a matter of practice, it is necessary to mature spirits for about four or five years in order to obtain proper quality. You can, therefore, see that the large amount of money put into the manufacture of stocks in each year remains there without return for four or five years though, of course, when the stock is sold, a profit substantial enough to reimburse this expense is realized. In addition to this, we pay excise duties during the year to the government which total as high as $400,000 per month. These facts, coupled with the necessity of manufacturing large stocks already explained, make it important for the company to have available at all times large amounts of cash.

"In this company, these expenditures have never been capitalized inasmuch as there are no bonds or preferred stock, with the result that these heavy demands on capital account must constantly be taken from earnings and as prosperity increases these amounts naturally increase, making it practically impossible for your directors to take any dividend action entailing the disbursement of money since the latter is all vitally required in order to carry on the business of the company.

To Relieve Stress

"The time has, therefore, come when it is considered that some steps should be taken to capitalize to some extent these expenditures and thus relieve the stress upon earnings and reserves, making it possible to keep these intact and create for the future a strong cash position materially to your interest and I have no doubt but that your directors will decide upon some plan to that end at their meeting to-day.

"It has been suggested to me that such action on the part of the directors might not be popular in consequence of which I wish to state emphatically that the sole objective of the directors and management of this company is the creation of a large, strong corporation and the development of a basic industry in Canada into which people may invest their money without fear for the future and we do not intend to carry on operations of a temporary nature without regard to the future for the benefit of speculators and gamblers and this policy can only be carried out with the whole-hearted co-operation of those who regard their interests in the Canadian Industrial Alcohol Company as an investment and not a gamble and we are, consequently, anxious to see that our securities are distributed into the hands of those who have faith in the future of the company and who are willing to join with us in such operations as may be necessary in order to make this company an unqualified success.

"A review of the earnings from 1923 shows the remarkable progress which has been made in that comparatively short time. In 1923, which I might say was considered a phenomenal year, the company earned $1,020,000, in 1924, $1,515,000, in 1925, when business was very much depressed, we, nevertheless, earned $1,360,000, in 1926, $2,109,000, and in 1927, $2,413,000. From these figures, it will readily be seen that the company is making steady progress and with Canada, as is generally conceded, commencing an era of unprecedented prosperity, I feel satisfied that the future will not prove a disappointment but that the earnings of your company will continue to increase.

"In the past year, business in the industrial department has increased 15 per cent. with the inclusion of Ontario and New Brunswick as customers, the business in beverage has also considerably increased and I have no doubt but that these increases will continue for the coming year, permitting us to look to the future with optimism.

Manufacture More Stock

"In the coming year, owing to increased business, it is our intention to manufacture more stock than we have ever before manufactured and this, including warehouses, barrels, raw material and manufacturing costs, will necessitate a very large expenditure on capital account but I would like to emphasize that this money is put into real assets, inasmuch as 80 per cent. of it represents stock having a real sales value, realizable at any time and is not put into plant, or bricks and mortar.

"If the cost of all this is to be deducted from earnings, it requires no great stretch of the imagination to arrive at the conclusion that the prospect of an increased cash dividend is, to say the least, remote but if, on the other hand, following sound economic practice, this cost is capitalized, we shall, undoubtedly, find ourselves at the end of 1928 in an exceptionally strong financial position, with the future of the company assured."

Business is Good in Orillia Town

ORILLIA.—Local authorities say that industrial activity in Orillia has never been so great as at present, with the exception of the munitions rush. Various tenants of the great Tudhope factories are busy beyond normal seasonal requirements of their customers. The local hydro-electric commission reports an unprecedented consumption of current in October and November.

It is expected that the finishing plant of the Blind River hardwood project of Scotch interests and Frank Kent, of Toronto, will be established in Orillia.

CLAIM IS SETTLED OF SHAREHOLDERS IN TELFER BISCUIT

Preferred Holders Will Receive 45 Per Cent. on Full Settlement

Preferred shareholders of the Telfer Biscuit Co., which was purchased outright by National Biscuit Co., will receive 45 per cent. in settlement of their claim on the assets of the old company.

National Biscuit paid $297,000 cash for the physical assets and assumed current liabilities in return for current assets. It was said at the time that the preferred shareholders might get as much as $50 the share in the wind-up of the company. The outstanding preferred had a par value of $384,000. Out of the purchase price a mortgage of $95,000 had to be taken care of, along with certain legal and other expenses, so that the settlement is on the basis of $45 for each $100 of par value.

The old company's troubles reached a crisis in 1924. Involuntary liquidation appeared inevitable until interests later associated with Christie, Brown & Co. stepped into the picture. Bank loans were paid in full and preferred creditors were given half cash and half preferred stock in settlement of their claims, so that the settlement to be made at this time gives these creditors 75 per cent. of their full claims. It is believed that the carrying on of the company for three years saved the preferred creditors from losing much and the preferred shareholders from losing everything.

SASKATOON'S TAXES ARE TO BE REDUCED

Levy for 1927 is $62,000 Lower Than Preceding Year

Saskatoon's estimated tax levy for all purposes in 1927 is placed at $1,434,382, a reduction from the preceding year of $62,500. The levy for municipal purposes shows a reduction of over $45,000; high schools of almost $15,000; public revenue, of over $16,000. Slight increases are shown in the levies for public schools and library purposes.

At the end of 1925 the net outstanding taxes of Saskatoon, including arrears represented by properties forfeited to the city through non-payment of taxes, amounted to $1,561,000. The corresponding total at the end of 1926 was $1,268,000, while the estimate for the end of 1927 is that less than a million dollars will remain outstanding—a reduction of well over half a million dollars in two years.

The city will have realized close to $250,000 from the sale of forfeited properties during 1927, a very active demand having existed throughout the year for these properties. Sales of such land during the past two years, together with the building up of a large reserve against uncollectable taxes in the past six years, have enabled the city and school boards to materially reduce bank loans. The city's loan, for instance, was only $139,500 at October 1 last, as compared with $583,000 at the same date in 1921.

A very good year was experienced in the operation of the different public utilities—all of them coming out on the right side of the ledger. The electric light department reports a net surplus, after paying operating expenses, interest and sinking fund on debentures and providing for plant extension, amounting to $51,119. The waterworks had a net surplus for the first ten months of the current year of $3,821. The street railway also reported a surplus of $5,549 for the ten months' period, an improvement of about $4,000 over 1926.

United States Rubber Company's group insurance for employees involves coverage of more than $17,000,000.

Unlisted Bonds

	Bid	Asked
Abitibi Fibre, 6s, 1947	100	100¾
Abitibi P. & P. 6s, 1940	105	106
Algoma Steel 5s, 1962	39½	40½
Alberta Pac. Grain, 6s, 1946	100½	101½
Bell Telephone, 5s, 1955	104	104½
Belgo Can. Paper, 6s, 1943	102½	103¼
Brandram-Henderson, 6s, 1939	86	..
B.C. Pulp and Paper, 6s, 1950	88	90
Brompton P. & P., 6s, 1946	101	102
Burns, P. & Co., 6½s, 1943	103	..
Calgary Brewery 5s, 1942	93½	94⅜
Calgary Power 5s., 1940	93¼	94½
Canada Biscuit, 6½s. 1946	101½	..
Canada Lt. & Pr. 5s, 1949	93¾	94¾
Can. Nor. Power 6s, 1941	101⅝	102½
Can. Paperboard, 7s, 1937	98½	101
Can. Steamships, 5s, 1943	100⅞	101½
Can. Steamships, 6s, 1941	101¾	102¼
Can. Steel Foundries, 6s., 1936	106	....
Davies, Wm., 6s, 1942	95	96
Dominion Iron, 5s, 1939	38	41
Dominion Pr. and Tr. 5s, 1932	98⅛	98⅞
Drummond Invest. 6½s, 1938	97	..
Duke Price, 6s., 1966	105⅝	106¼
East Kootenay Pr., 7s, 1942	104¼	105½
Elec. Development 5s, 1933	100½	101¼
Famous Players, 6½s, 1943	100	..
Fraser Co., 6s, 1950	101⅝	102½
Elec. Development 5s, 1933	100½	101¼
Famous Players, 6½s, 1943	98	102
Fraser Co., 6s., 1950	100¼	101¼
Gatineau Power, 5s, 1956	99½	99⅞
Gatineau Power, 6s, 1941	102¾	103⅜
Howard Smith P. & P. 6s, 1941	105	105½
King Edward Hotel, 7s., 1944	94	96
Lake Superior P. & P. 6s, 1941	106½	108
Laurentian Pr. 6s, 1936	109½	..
Laurentide Pr. 5½s, 1946	101¼	102
Manitoba Pr. 5½s, 1951	102¾	103¾
Mont. L. H. & P. 5s, 1951	101⅝	102⅛
Mont. Pub. Service 5s, 1942	100	101
N. B. Power 5s, 1937	92⅝	...
Nor. Ont. L. & P. 6s, 1946	103	104
Nor. West Utilities 7s, 1938	100	102
Nova Scotia Steel, 5s, 1959	64	68
Nova Scotia 6% Debs.	33	38
Nova Scotia Tram. 5s, 1946	95	96½
Nova Scotia Tram. 7s, 1952	100½	102
Ont. Pulp & Paper 6s, 1931	109	110
Ottawa Hull Pr. 6s, 1948	104	105
Ottawa L. H. & P. 6s, 1953	105	106
Ottawa Mont. Pr. 6½s, 1949	104⅝	105¼
Ottawa Trac. 5½s, 1955	101⅝	102⅝
Ottawa River Pr. 6½s, 1953	103	104
Port Alfred P. & P. 5½s, 1957	96½	97¼
Price Bros. 6s, 1943	105	106¼
Prov. Lt Pr. 5s. 1946	101¾	103
Rio Tramways, 5s, 1935	97½	98¼
Sao Paulo Tram. 5s, 1929	98¾	99¼
St. Lawrence Paper, 6s, 1946	100½	102
St. Maurice Valley 5½s, 1957	96	97½
St. Maurice Pr. 6½s, 1953	107¼	108
Shawinigan W. & P. 4½s, 1967	96½	97
Simpson's, Ltd., 6½s, 1945	103¾	104½
Southern Can. Pr. 5s, 1955	100½	101½
Spanish River P. & P. 8s, 1941	107	108½
West Kootenay Pr. 6s, 1943	104	104¾

BOND MOVEMENT OF THE WEEK

Week Ending December 20

Bonds	Int. Rate	Due	Yield	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low	Ask	Latest Price Bid	Latest Price High	Low
Asbestos, g. mtge.	6	1956	6.17	88¾	81¼	97⅞	88	99½	..	97⅝	97
Can. Canners	6	1950	5.86	100	94	102	96½	..	101¾	101¾	..
Cedar Rapids	5	1953	5.01	101½	98⅛	101⅞	89	..	..	99¾	..
Montreal Tram.	5	1941	5.00	98½	93	100⅝	97⅞	101½	100¾	100	..
Do. "A"	5	1955	5.01	95	92½	100	94¼	100	99⅝	99¼	..
Porto Rico	5	1936	6.09	89¾	89	93¾	90	93½	92½	92½	92¼
Riordon	6	1942	5.79	100½	100	102	100¾	..	101	102	..
Wayagamack	6	1951	5.70	100⅝	90	103⅞	97	..	103½	103⅞	102½
War Loan	5	1931	4.30	102.40	100.35	102.60	100.75	102.75	102.50	102.60	....
Do.	5	1937	4.20	104.95	102.75	106.75	102.95	106.75	106.45	106.40	....
Victory	5½	1933	4.26	106.35	103.20	106.55	105.05	106.50	106.45	106.55	106.30
Do.	5½	1934	4.57	104.40	102.65	105.55	103.30	105.50	105.25	105.55	105.15
Do.	5½	1937	4.14	109.30	106.70	111.15	106.85	111.10	110.90	110.85	110.65
Do. Renewal	5½	1932	4.50	103.90	102.00	104.40	101.85	104.20	104.10	104.40	104.00
Do. Refund	5	1928	4.48	101.35	99.85	101.45	99.75	100.50	100.45	100.50	100.45
Do.	4½	1940	4.29	96.95	95.60	102.40	96.50	102.35	102.20	102.30	102.20
Do.	5	1943	4.50	102.80	102.30	105.65	102.30	105.85	105.55	105.65	105.00
Do.	4½	1944	4.25	97.15	95.70	103.00	96.96	102.85	102.55	103.00	102.30
Do.	4½	1946	4.32	96.60	95.65	102.65	96.70	102.70	102.40	102.40	....

WEEKLY RECORD OF FINANCING IN CANADA

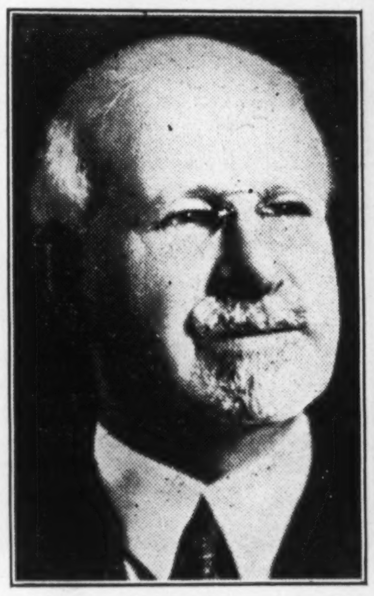
SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Halifax	Dec.	Dyment, Anderson & Co.	4½%	35-year	$320,000	99.537	4.53
Peterborough	Dec.	Matthews & Co.	5%	30-year	295,000	104.24	4.64
Windsor	Dec.	A. E. Ames & Co.	5%	10 and 20 ins.	771,122	100.65	4⅞
Bertie Tp.	Dec.	Dyment, Anderson & Co.	5%	30-ins.	115,000	102.157	4.82
Dutton	Dec.	Fry, Mills, Spence & Co.	5%	30-ins.	57,000	102.071	4.73
Thorold	Dec.	Dyment, Anderson & Co.	5%	10-ins.	70,862	100.077	..

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Bond Issues—							
Associated Electric	Dec.	Harris, Forbes & Syndicate	4½%	1953	20,000,000	94¼	4.90
Republic of Peru	Dec.	Dom. Securities and U.S. Syndicate	6%	1960	50,000,000	91½	6.80
Stock Issues—							
Geo. A. Fuller Co.	Dec.	National City Co.	Pref.		45,000 shs.	99½	..
Ins. Hold. & Invest.	Dec.	C. C. Beaubien & Co.	6% pref. (With bonus of 50% in common stock)		$250,000	$25	6%
McColl-Frontenac Oil Co.	Dec.	Nesbitt, Thomas & Co., and McDougall & Cowans	6% pref.		$7,500,000	100	6%

Vice-President



J. A. McLEOD,
General Manager of Bank of Nova Scotia, now elected vice-president also.

This Week's Bond Sales

TOWNSHIP OF BERTIE

Dyment, Anderson & Co. were awarded an issue of $115,000, five per cent., 30-instalment bonds of the Township of Bertie, their bid being 102.157. At this price the money is costing the township 4.82 per cent. The bids were:

Dyment, Anderson & Co.	102.157
A. E. Ames & Co.	101.82
Fry, Mills, Spence & Co.	101.77
Wood, Gundy & Co.	101.65
Matthews & Co.	100.81
McLeod, Young, Weir & Co.	99.86
C. H. Burgess & Co.	99.57

THOROLD BOND ISSUE

Dyment, Anderson & Co. have been awarded an issue of $70,862, Town of Thorold, five per cent. 10-instalment bonds, their price being 100.077. The bids were:

Dyment, Anderson & Co.	100.077
Brouse, Mitchell & Co.	99.90
McDonagh, Somers & Co.	99.715
Matthews & Co.	99.51
McLeod, Young, Weir & Co.	99.18
Wood, Gundy & Co.	99.80
R. A. Daly & Co.	99.81
Fry, Mills, Spence & Co.	99.57
C. H. Burgess & Co.	99.37

VILLAGE OF DUTTON

An issue of $57,000, Village of Dutton, five per cent., 30-instalment bonds, has been awarded to Fry, Mills, Spence & Co., on a bid of 102.071, which is equal to a cost basis of 4.73 per cent. The bids were:

Fry, Mills, Spence & Co.	102.071
Dyment, Anderson & Co.	101.966
Harris, MacKeen & Co.	101.832
MacKay & Co.	101.607
Burgess & Co.	101.07
Royal Securities Corp.	100.82
R. A. Daly & Co.	100.68
A. E. Ames & Co.	100.42

CITY OF WINDSOR

A. E. Ames & Co. were the successful tenderers for an issue of $771,122, City of Windsor, five per cent., 10 and 20 instalment bonds, on a bid of 100.65, which is equal to a cost basis of 4⅞ per cent. The bids were:

A. E. Ames & Co.	100.65
Wood, Gundy & Co.	100.357
R. A. Daly & Co., Bank of Nova Scotia	100.318
Matthews & Co., MacLeod, Young, Weir & Co.	101.21
C. H. Burgess & Co.	99.93
Dyment, Anderson & Co., Bell, Gouinlock & Co.	99.52
Fry, Mills & Spence	99.273

CITY OF HALIFAX

An issue of $320,000, City of Halifax, 4½ per cent., 35-year bonds, has been awarded to Dyment, Anderson & Co., at 99.537. At this price the money is costing the city 4.53 per cent. The bids:

Dyment, Anderson & Co.	99.537
Matthews & Co.	99.41
Royal Securities Corp.	99.27
A. E. Ames & Co.	99.15
Fry, Mills, Spence & Co.	99.145
Johnson & Ward	99.14
Spencer, Trask & Co	99.145
Dominion Securities Corp.	99.135
R. A. Daly & Co., and Bank of Nova Scotia	98.714
Burgess & Co.	98.57
Eastern Securities and Wood, Gundy & Co.	98.70

PETERBOROUGH ISSUE

Matthews & Company were the successful tenderers for an issue of $295,000, five per cent. school debentures of the city of Peterborough, their bid being 104.24.

The bids were:

Matthews & Co.	104.24
Dominion Securities Corp.	104.076
Wood, Gundy & Co.	103.45
McDonagh, Somers & Co.	103.20
R. A. Daly & Co., and Bank of Nova Scotia	103.116
Royal Securities Corp.	103.079
Dyment, Anderson & Co.	103.067
Fry, Mills, Spence & Co.	102.574
A. E. Ames & Co.	102.53
C. H. Burgess & Co.	102.27
McLeod, Young, Weir & Co.	102.19
Bank of Montreal	101.13
Mead & Co.	101.97

Tenders and By-laws

Dec. 30, School Municipality of Notre Dame Auxiliatrice, P.Q.—$150,000, 5 per cent., serial debentures. J. A. Roy, sec.-treas.

Dec. 30, St. Jean—$150,000, 5 per cent., 40-instalment.

Maritime Electric and Associated Gas

From Our Own Correspondent

MONTREAL.—Shareholders of the Maritime Electric Company are entitled to subscribe to class "A" shares, at $40 per share of the Associated Gas and Electric Company in the proportion of one share for every five held. Subscription rights to the stockholders on January 5. The Maritime Electric Company is controlled by the Associated Gas and Electric System. The common shares of the Maritime Electric Company will be accepted in payment for the new class "A" stock.

UNITED FIRST MORTGAGE BONDS

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Insurance for Buyer and Seller

NEW STATISTICS SHED MORE LIGHT ON MOTOR LOSSES

Experience of C. A. U. A. Members Shows 62% Ratio in 1926

Valuable light on the present situation regarding automobile insurance rates, is thrown by a recent statement issued by the Canadian Automobile Underwriters' Association, and which tabulates by classes, the experience of member companies for the years 1925 and 1926. The information given by the association supplements the annual report which appeared about a month ago, and shows a loss ratio on private car passenger and commercial car business of 62 per cent. for 1926, as against 48 per cent. in 1925. The experience is classified both according to provinces and according to the various kinds of risk.

Not only does this higher ratio give further evidence towards higher automobile rates in 1928, but the results are even more important when it is remembered that the manual rates for 1927 were reduced 10 per cent. below the level of 1926, and at the same time commissions were increased by 5 per cent. This means that for every $100 that was available to pay losses in 1926, there will be only $85 from which to meet 1927 claims. And so far, all the evidence seems to point to an even higher loss ratio in 1927 than there was in 1926. The moral is more than obvious.

One more general observation about the rates is in order, and that is that although the member experience in all classes of automobile risk, showed a loss ratio of 60 per cent., nevertheless the ratio on this particular grouping (private passenger and commercial car grouping) is 2 per cent. higher. Evidently the experience as a whole on public automobiles and garage risks has been fairly satisfactory, so that whether or not any higher rates may be expected here is problematical.

The figures are prepared on a policy-year basis, and in order to arrive at an accurate estimate of the 1926 business, which on a two-year contract basis would not be complete until the end of 1927, the association has figured that earned premiums are 60 per cent. of policies actually written or renewed. Losses incurred for that year are all losses paid during 1926, on policies written or renewed during the year.

Comparing first of all the details of public liability insurance, experience shows that the 1926 figures in the provinces of Ontario and Quebec (the two best exposures) are much worse than in 1925. In Ontario a 42 per cent. loss in 1925 jumped to 62 per cent. in 1926, and in Quebec, a 43 per cent. figure in 1926 shows 72 per cent. for the year following. The total experience in Canada for 1926 is 62 per cent., as against 44 per cent. a year ago.

Closely allied to this class of risk comes property damage and collision coverage. Here again, the 1926 figures show a much poorer picture in 1926 than in 1925. Collision stands as 71 per cent. for the most recent experience, as against 43 per cent. in the year previous. The Canadian totals show loss ratios of 73 per cent. and 75 per cent. in 1926 for these two classes, as against 56 per cent. and 53 per cent. for 1925.

Fire and theft insurance, as predicted previously in these columns, are in a much better position. The ratio shows a distinct improvement in a great many of the provinces as far as both classes are concerned, and the ratios for the two years are much closer together than is the case with the other classes of risk. Canadian loss ratios for fire were 55 per cent. in 1926, as against 46 per cent. in 1925; and in theft, 45 per cent., as against 46 per cent., thus showing an actual improvement as far as theft is concerned.

The table reproduced on page nine shows in detail the loss ratios throughout the various parts of the country.

Expect Private Risks Will Still Remain in New Insurance Plan

Quebec Province Expected to Substitute Claims Board for Present System, When Legislature Meets Next Month

From Our Own Correspondent

MONTREAL.—Private insurance under a claims board regime seems to be the future destiny of workmen's compensation in the province of Quebec. The provincial parliament does not convene until January, but when the speech from the throne is read at that time, it is expected that a new act will be forecast, which will be a compromise between the old system and the form of legislation at present existing in Ontario.

For several months now, the Quebec Government has been engaged in studying the question of workmen's compensation within the province, and in addition to an official commission which was appointed specifically for the purpose, information has been gathered from every possible source in an endeavor to find a proper solution to the problem. The work of this commission has already been completed, it is understood, and at the present time the government is preparing the definite details of the scheme which will be brought into force as soon as the necessary legislation can be brought down by the provincial house.

Although no official information has as yet been released, The Financial Post understands that under the scheme that the government is about to propose, the private companies which have in the past operated in this field, will once more be asked to continue writing compensation insurance, but that in the place of the existing system of judiciary appeal, there will be substituted a claim board which will exercise supervision over all disputed claims that may arise.

This board will probably be composed of three members and will eliminate the entire system of court appeal which now operates throughout the province. What will actually happen will be something like this.

As long as the employer, the employee and the insurance company can agree upon the amount of compensation that should be awarded, a private settlement will be made between the parties concerned, and the claim will be paid by the company just as in any other field of insurance. If, however, there is a dispute, the settlement will be referred to the claims board which will have full authority to settle the matter and its decision will be final and binding. Thus these claims will be handled in a manner similar to the way in which Ontario now handles its claims, only the insurance will be carried by private companies, instead of being carried by an assessment on industry levied by the province.

What reception this proposed scheme will meet within the province, depends largely on the scale of benefits that it will carry, and also upon the rates which will then have to be formulated by the companies. As far as the general scheme is concerned, it will probably be generally approved by the interested parties, as an acceptable compromise between the famous 1927 legislation and the state plan of operation which was mooted earlier in the year. Manufacturing interests are said to be fairly well pleased with the new prospect, while the companies themselves are probably ready to welcome any plan which allows for private competition among the insurance companies operating in the province. The position of labor will probably not be known until the plan is more definitely formulated.

Throughout its investigation, the government has shown a willingness to confer with the interested parties, so that the scheme which will finally be brought down at the turn of the year, will probably bear the informal approval of the various interests before it is finally made public.

MONTREAL LIGHT

MONTREAL.—Julian C. Smith, vice-president of Shawinigan Water and Power Company, president of Quebec Power and Montreal Tramways and director of Dominion Bridge, Dominion Engineering and other companies, has been elected a director of Montreal Light, Heat and Power, Consolidated. J. E. Aldred, president of Shawinigan, is already a director of Montreal Power.

Dublin special to Herald Tribune states James MacNeill, Irish Free State High Commissioner in London, will become Governor General of Free State in January, succeeding Timothy Healy, who is retiring.

Licensing Laws for Life Agents Are Discussed

By R. LEIGHTON FOSTER
Superintendent of Insurance

(An address delivered before the Life Underwriters Association of Toronto)

"Agents qualification laws and their administration have been one of the most important and controversial subjects of insurance legislation throughout Canada and the United States for many years.

Their contentious character is witnessed by the fact that in more than fifty states and provinces on this continent there are no two laws alike and even where the letter of the statutes is similar, there spirit as represented by their administration is scarcely recognizable. The subject is of peculiar interest and importance to the Provincial Superintendents of Insurance throughout Canada because it is one of the few fields of insurance legislation which has been left comparatively free from conflicting or complementary legislation by the federal authorities.

Five years ago the legislature of this province laid down the principle that only persons who, in the opinion of the Superintendent of Insurance, were suitable to act as life insurance agents and intended to hold themselves out publicly and carry on business in good faith as such, should be entitled to receive a license from the department.

Prior to 1922 our licensing act had been little more than a revenue measure providing for the registration of agents, and the sole qualification necessary was the recommendation of any company representative doing business in the province.

In providing that the decision of the superintendent, rendered upon the advice of an advisory board, should be final and binding and without appeal, the intention of the legislature to exercise effective control of the insurance agency business was made abundantly clear. It is not for me to interpret legislative policy or to show cause why such legislation is in the public interest. It is sufficient for me to point to the law and render an accounting of my stewardship.

I think the achievement of the past five years is one for hearty congratulation by all interested in the welfare and development of the life insurance business. We can all recall the sharp conflicts of opinion as to the merits of the new law and the old controversy between "whole-timers" and "part-timers." Every person had a different idea as to what applicants were suitable to receive a license. Many life underwriters looked to the act as a panacea for all their ills; demanded the immediate disfranchisement of all part-timers; and chafed at what they regarded as the temporizing policy of the department.

Many members of the Life Officers Association regarded the new law as an unwarranted interference with their agent-employees, scoffed at the so-called qualifications of the life underwriters, and generally decried the paternal policy of the government.

To-day the situation is entirely changed. The life underwriters, the life officers and the life agency officers have their feet under the same table formulating unanimous recommendations to the department as to the administration of the act.

Most life underwriters have come to recognize that the act was passed not for their sole benefit, but for the protection of the public and that from the public standpoint there is such a person as a suitable "part-timer."

Better Underwriters

Most company executives have come to realize that better underwriters mean better, bigger business, and that a well administered licensing system can be made one of the major instruments for the improvement of the life insurance business in the field. The consensus of opinion among all life insurance men that I meet is, not that the life insurance agency business should not and could not be improved but rather that the companies themselves should undertake a larger measure of responsibility for the improvement, thus reducing the necessity for the exercise of the superintendent's prerogative to a minimum. I do not say that there are not some die-hards—I met one on the train last week—but I do say that their influence is no longer a considerable factor.

This year represents the culmination of five years' work of education and effort to bring the interested parties together. It is really a year of experiment. The difficulty of enforcing a restrictive statute without an overwhelming body of support from all interested parties can be appreciated by all citizens of this province. I found that once a company executive had placed his signature to an application for license or renewal of license, he was rarely content to accept an adverse decision from the department.

It is not sufficient to point out that the superintendent's decision is final and without appeal the problem becomes one of government policy rather than of administration where almost every adverse decision is criticized and corresponded about at the instance of the company. The disgruntled applicant needs little encouragement to carry his appeal to the court of public opinion. Hence the desirability of finding common ground if possible was constantly apparent.

Slowly but surely the officers of the Life Underwriters, Life Agency Officers and Life Officers Associations came to recognize the necessity of compromise, of sympathetic co-operation with each other and of reaching an agreement with the department on the question of administration if the whole question were not to be thrown into the political arena with possible prejudical results to all interests.

Finally a joint committee representing the three associated bodies was formed about a year ago and after months of conference a plan of administration formulated and unanimously recommended to the department for adoption. The recommendations of the committee were accepted and came into operation with the commencement of the present license term last October.

Kind Words Given To Life Association

Kind words of encouragement were given last week to the Life Underwriters' Association of Toronto, by Leighton Foster, Superintendent of Insurance for the Province of Ontario. In the course of an address to this body he made the following statement:

"I feel that notwithstanding the remarkable success of the association there is still a great deal of unintelligent apathy toward the work and objects of it. It is very difficult for me to conceive of a life insurance agent who takes a real interest in his work and is not a member of his local life underwriters' association."

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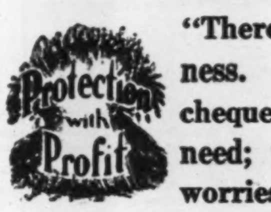

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Current Events in Banking World

New Chief is Elected to Nova Scotia Bank

S. J. Moore is Chosen as President, and General Manager John Andrew McLeod, Together with Hector McInnes, K.C., Appointed Vice-Presidents

Three important appointments have been effected during the week in the directorate of the Bank of Nova Scotia.

The new president, successor to the late G. S. Campbell, who died in November of this year, is to be S. J. Moore, who was president of the Metropolitan Bank at the time of the absorption thirteen years ago.

Varied Interests

He has many and varied interests, being president of the Pacific-Burt Company, Ltd., president, F. N. Burt Co., Ltd., president, William A. Rogers Co., Ltd., president Kidder Press Co., Ltd., president, Gilman Fanfold Corp., Ltd., president of the American Salesbook Co., Ltd., chairman of the board, City Dairy Co., Ltd., vice-president, Imperial Life Assurance Co., Ltd., and a director of the Toronto General Trusts Corporation, Porto Rico Railway Co., Ltd., and Northern Mexico Power and Development Co., Ltd. He was born at Doddington, Northamptonshire, England, Aug. 3, 1859, and came to Toronto in 1879, after being five years with The Barrie Gazette as a practical printer. He was partner at first in the firm of Bengough, Moore & Co., but gradually extended his activities until they included many companies, including those mentioned above. Mr. Moore has also found time to take an active place in social, educational and religious work. He is a governor of the University of Torontp. In 1920 he was president of the Baptist Convention of Ontario and Quebec.

Vice-President

Another change is that of general manager John Andrew McLeod, who is elected a director and vice-president of the bank. Mr. McLeod was born in Prince Edward Island at Oark Corner on Aug. 8, 1868. He entered the Bank of Nova Scotia on Feb. 1, 1887, and has had since then a peculiarly large and varied experience in important positions. He was appointed manager at Harbor Grace, Nfld., in 1895, assistant manager at Chicago in 1897, manager at St. John's, Nfld. in 1898, manager at Boston in 1900, manager at Havana, Cuba, 1905, manager at Chicago in 1906, chief superintendent of branches in 1913, assistant general manager in 1917, and general manager in 1923.

Mr. McLeod will continue to act as general manager.

Hector McInnes

Hector McInnes, K.C., of Halifax, was also elected a vice-president of the bank.

Though called the Bank of Nova Scotia, the head office is really in the City of Toronto, and meetings of the board of directors take place in that city. The interests of Nova Scotia are, however, adequately represented by making Hector McInnes, K.C., Halifax, N. S., vice-president, as he is a prominent citizen of the eastern city and active in all its affairs. Other Halifax men on the board are J. Walter Allison, D.C.L., Charles Archibald, his Honor McCallum Grant, and O. E. Smith. Other directors are Hon. N. Curry, Montreal; Dr. W. W. White, St. John, N. B.; His Honor William D. Ross, Toronto, who was originally a Nova Scotia man; Hon. George Bryson, Fort Coulonge, Quebec; John B. Fraser, Ottawa, Ont.; Russell Blackburn, Ottawa, Ont.; Alexander Maclaren, Buckingham, Que.; Hon. George Gordon, North Bay, Ont.; Francis P. Starr, Saint John, N. B.; and Sidney T. Smith, Winnipeg, Man.

HUMAN ELEMENT HELPS MANAGERS TO ACHIEVE AIMS

Banker Breaks Down Superstition That Banks Are Soulless Corporations

By C. PAYELL

Smith is what one might call a small town banker, but he has succeeded in building up a large savings bank business which many city institutions might well envy if they knew the total figures of his deposits; his customers hail from different points, some distant, and no small number of his clients pass the doors of other banks on their way to Smith's branch.

Why is this? Because Smith and the members of his staff, from the messenger upwards, have succeeded in eliminating the cold business formality which acts as a deterrent to the building up of a deposit business and helps to keep alive the fatuous idea, one might even call it a superstition, that banks are soulless corporations.

Ideals Reflected

Smith and his co-workers (due significance is implied in that hyphenated word) are doing more than all the other banks in town put together, in impressing upon the public the truth that a corporation is made up of a number of men equally as human as themselves; Smith's branch, therefore, reflects the ideals, aspirations and actions of human beings endowed with a capacity for reaching the hearts of its clients as well as their pockets.

Talk to any of Smith's customers and they will tell you that he and the bank's staff appear to take a personal interest in them, which, in their experience, they have failed to notice in their dealings with other banks; not that these do not give service, but Smith goes further than that; he and the members of his staff treat each individual customer as a personal friend; through the adequate appreciation of the value of the human touch in banking service, they are constantly adding to the number of their depositors

I had an opportunity recently of asking Smith for an explanation of his success; he makes no secret of his methods, because he unhesitatingly gave me the desired information. He works on the theory that if anyone else wants to take the trouble to imitate him, the more power to them.

Prodigious Memory

Smith works on a card system; he is blessed with a good memory, but does not depend upon it altogether to remember facts concerning his customers. Many clients call at irregular periods and frequently long intervals elapse between visits to the bank. Without the cards, it would be difficult, if not impossible, to continue a conversation with Jones held two months previously, but with their assistance he is able to do this; incidentally, he is credited with the possession of a prodigious memory and a faculty for saying the right thing at the psychological time. Smith takes a lot of trouble and time in keeping the cards up-to-date, but he finds it worth while.

It may all seem ridiculous to the hard-boiled city banker who has neither the time nor the inclination to engage in small talk, but when one considers that members of the Royal Family of Great Britain go through a rigid course of memory training in order that they may appear human to their subjects, surely the latter should also make it their business to be equally so in their relations with each other.

Memory of Royalty

For example, after an evening spent in meeting important personages, the late King Edward, when but a youth, would often be questioned by one of the ministers of the cabinet regarding those whom he had met and asked to relate different facts about them which might be used in conversation at subsequent meetings. It has been said that the popularity of the Prince of Wales is in no small measure due to the fact that he is able to remember people whom he has met long before and to his facility in engaging them in interesting conversation regarding themselves; this being the case, no aspersions may be cast upon Smith for his mode of operation in cultivating the good will of his clients besides their money. It pays to be human.

U.S. Companies Aid Forest Conservation

By ROBSON BLACK,
Manager, Canadian Forestry Association

The criticism is sometimes heard that American companies holding timberlands in Canada contribute little or nothing to the security of the forests against fire. It is said not infrequently that they are practising conservation on their United States holdings while permitting "ruthless treatment" of their Canadian timber.

Such charges, never originating with any conservation body, have been responsible for serious injustice to companies having large investments in Canadian timberlands. Not only do the American land owners as a whole apply fire protection measures paralleling those enforced by Canadian companies, but participate heartily in Canadian conservation movements which benefit all forest lands in common.

Fire Tax Assessed

In the case of Nova Scotia, the provincial authorities assess a fire tax on all private land owners (above a minimum acreage) and this is paid by every United States corporation, and helps to maintain the provincial forest service. The American companies, however, undertake costly forest protection measures of their own. For example, in Cape Breton, the Oxford Paper Company, owners of one thousand square miles, have built five fire towers at strategic points to cover nearly all of their lands. Guardians are stationed at these towers, each man's performance of duty being checked up by time clocks. The six hundred men in the company's camps are under instructions to proceed immediately to any fire reported, and the freedom of Cape Breton from conflagration, while due largely to the moist climate, is further ensured by organized vigilance. The S. D. Warren Company, another American company, has built up a modern and highly efficient fire detection and prevention system in Yarmouth and Digby Counties, consisting of three of the most modern steel lookout towers, outpost patrol camps, three report centres, telephone lines, motor cars, fire pumps, and a trained personnel, coupled with vigorous educational work to win the co-operation of the public. The towers and equipment are freely at the disposal of the provincial government officers at all times and are used by them to good effect. While the S. D. Warren Company owns only 80,000 acres, it maintains guard on nearly one million acres, belonging to the provincial government and private parties.

Such active participation in the guarding of Canadian timberlands applies to the West Virginia Pulp and Paper Company; Hollingsworth & Whitney; International Paper Company; A. P. W. Paper Company;; St. Croix Paper Company; Pejepscot Paper Company; New York & Pennsylvania Company; Hammermill Paper Company; St. Regis Paper Company; Kimberley-Clark, and others. Some of those mentioned have Canadian subsidiaries which have established important industrial centres in the Dominion.

Preventive Precautions

Not only do many of the American companies equip their Canadian timber areas with modern protective equipment, but take equal pains to bring the public into harmonious relations with their fire protective policy. This is accomplished through posters placed along trails and at camping places, etc., the use of local newspapers, and by lecture tours of all communities bordering the forest properties. In these and other ways, the human element which is usually responsible for fire trouble is made an ally of prevention. No owners or operators of forest properties are more keenly alert to the meaning of public co-operation than the American companies with investments in Canadian timber.

The task of forest protection has become a specialized business. Values of timberlands have risen in proportion to increased industrial uses, and the scarcity of accessible supplies. The heavy carrying charges on timberland investments must eventually be liquidated and few corporations, Canadian or American, are wilfully lagging behind in their efforts to banish the fire plague and encourage the regeneration of new forest crops.

BANK OF AUSTRALIA OPENS N. Y. BRANCH

Institution is Owned and Guaranteed by Government of Australia

The Commonwealth Bank of Australia has opened its New York agency at 25 Pine Street. This will be in charge of Mr. A. Watson Mason, who for four years was second officer of the London branch, and who has been associated with the bank since its inception.

The Commonwealth is the first Australian bank to have direct representation in the United States.

Owned by Australia

The Commonwealth Bank of Australia is owned and guaranteed by the government of the commonwealth of Australia, having been constituted by special act of Parliament passed in 1911. In addition to caring for the banking business of the commonwealth government, it is banker to four of the five Australian States. The head office is in Sydney, with branches in London and principal cities and towns of Australia, while agencies of the savings bank department are conducted at over 3,000 points throughout the continent of Australia.

The bank's statement as of June 30 last showed balances aggregating over 697,000,000, capital and reserves accounts exceeding $26,000,000. The chairman of the directors is Sir Robert Gibson, K.B.E. The governor of the bank is Mr. E. C. Riddle. Mr. H. T. Armitage is the deputy-governor. He visited New York in September and was here again more recently on his way home to Australia from London.

"CREDIT DRAWER" CAUSES LAW SUIT

U.S. Court Gives Ruling on Interesting and Debatable Point

The Supreme Court of Pennsylvania says that the words "credit the drawer," are familiar in commercial and banking transactions and signify that the note on which the phrase is written is for the maker's accommodation, and that the proceeds are his, although it is drawn payable to another.

The case arose on a promissory note drawn by a corporation to the order of a bank, and executed for the corporation by its president and treasurer. The note was intended to be, and actually was, credited to the account of the corporation as a discount. On the face of the note the treasurer wrote "credit the drawer" and signed his name, this time without his title. The president indorsed individually on the back of the note.

Later the treasurer died. The note was unpaid, and the bank sued the executors of the treasurer, claiming that under Section 64 of the Negotiable Act, a person, who is not otherwise a party to an instrument, places his signature thereon in blank, before delivery, he is liable as indorser.

The court, in passing on this argument, said that this section must be read in Section 63, which provides that a person placing his signature upon an instrument otherwise than as maker, drawer or acceptor, is deemed to be an indorser, unless he clearly indicates by appropriate words his intention to be bound in some other capacity. It held that the phrase written above the treasurer's name was clearly appropriate to indicate his intention to certify the character and ownership of the note, and not to become an indorser. Further, the president indorsed on the back in the usual way, and it was highly probable that the treasurer would have done the same had he intended to be bound as indorser.

The court said that although an indorsement might be written on the face, as well as on the back, of a note, that did not determine the question in this case. It appeared on the face of the note that the treasurer was treasurer of the maker corporation, and the fact that he signed his name so as to indicate the nature of the paper and its actual owner imposed no personal liability.

Special Christmas Bonus is Given to Stockholders

This year the Royal Bank of Scotland celebrates the 200th anniversary of its foundation. The directors have decided to distribute at Christmas a special bonus to the stockholders of 5 per cent. less income tax.

The final dividend for the year will be the same as in the previous year, namely 8 per cent., making 16 per cent. for the whole year. The board is at pains to impress the stockholders with the exceptional character of the bonus and the improbability of its repetition for a long time to come, and they mention that it is being paid out of certain provisions made to meet depreciation on investments at a time when gilt-edged securities were failing.

These funds are not now required.

Bank of Montreal Official Retiring After 52 Years

After 52 years of constant service, eighteen of which he spent as manager of the Bank of Montreal on the corner of O'Connor and Wellington Streets, Ottawa. Archibald G. Parker is voluntarily retiring from his position. His successor will be Major Ross Creighton, head of the staff department at Montreal.

Mr. Parker's successor, Major Walter Ross Creighton, is well known in banking circles throughout the country. His father was also connected with the Bank of Montreal. He was born in Brantford, Ont., some 42 years ago, and entered the Bank of Montreal in that city as a clerk in 1902.

TRANSFERRED

Norman Woolner, who for a number of years was a member of the Bank of Nova Scotia staff at Milverton, has been transferred to the Stratford branch. C. T. McCall, of Stratford, is taking Mr. Woolner's place on the Milverton staff.

DEPOSITS INCREASE IN LONDON BANKS

Expansion in Figures Seen Normally for October Are Greater Than Usual

The changes shown in the November average figures of the London, Eng., clearing banks make an interesting comparison with those in the corresponding month a year ago. With the exception of the advances, the expansion in the figures normally seen in October appears to be greater than usual.

This is particularly the case with the deposits, which have risen by no less than £42,323,000 on the month against an expansion of £25,766,000 last year. The large increase in the deposits is the more remarkable in view of the fact that the advances are slightly smaller on the month. On the other hand, the holding of bills has increased by £21,000,000 against less than £7,000,000 last year.

It is always difficult, however, to estimate the extent to which movements in this item reflect trade conditions, owing to the fact that the banks still persist in making no distinction between their holdings of trade and treasury bills. Due to the large increase in the deposits the advance ratio fell from 54.8 per cent. to 53.4 per cent.

Men Live 12 Hours in Vault To Test New Safety Device

Staking their existence on the effectiveness of a new device for sustaining life in accidentally closed vaults, Robert R. Rodes, inventor of what he terms a "vault oxyfier," and two companions, existed for 12 hours cramped in an air-tight bank vault at Eighth Avenue and 150th Street, New York, on about $2 worth of commercial oxygen supplied from an ordinary steel cylinder.

When the vault was opened the men emerged evidently none the worse for their experience. At the conclusion of the test, instruments used inside the vault to record the condition of the atmosphere showed negligible changes in temperature, and oxygen and carbon dioxide content.

It is indicated by the data recorded and the experience of the three men that the test demonstrated the feasibility of the new device for sustaining the life of a person accidentally confined in an air-tight bank vault. Present at the conclusion of this test were representatives of safety and insurance and banking interests. R. E. Prouty, safety engineer, Aetna Insurance Co., sealed the vault.

NEW BRANCHES OPENED

IMPERIAL BANK

A branch of the Imperial Bank was opened at 743 Mount Pleasant Road, Toronto, 12, on Dec. 15, 1927, with C. G. Green as manager, formerly accountant, Church Street branch.

The bank has purchased the property at the north-west corner of Eglinton Avenue and Mount Pleasant Road, and will proceed to erect modern banking premises immediately. In the meantime, they will be open for business at the address mentioned.

E. M. Wilson, formerly attached to Northern Ontario relief staff, has been appointed accountant, Church St. branch, vice C. G. Green.

DOMINION BANK

A new branch of the Dominion Bank has been opened at Delaware Avenue, Toronto.

RECEIVES PROMOTION

D. R. Morrison, who has been assistant manager of the Sydney, N.S., branch of the Canadian Bank of Commerce for some little time past, has been promoted in the bank's service and becomes manager of the Commerce branch at Stanley, N.B. Mr. Morrison went to Sydney as accountant in the local branch of the bank, and was subsequently promoted to the post of assistant manager.

German iron and steel manufacturers have rejected government arbitration award in wage and hours dispute. Government expected to make award officially binding in order to avert lock-out on January 1.

Bank of Montreal's Manager At Sarnia, to Retire Soon

S. J. Plunkett, manager of the Bank of Montreal at Sarnia, is to retire at the end of the present year after half a century of banking service which commenced at Ottawa in 1879. Prior to going to Sarnia, he was for 11 years manager at Almonte. His eldest son was killed overseas in the war. Mr. Plunkett will in future reside in Toronto, and will be succeeded at Sarnia by T. A. MacKay, who has been assistant manager of the Toronto branch.

TEMPORARY CHANGE

S. J. Boyd of the superintendent's department, Bank of Montreal, Calgary, has arrived at Lethbridge to take temporary charge of the bank during the absence of H. H. Huus, manager, who is leaving on the 15th of this month for a two months' vacation in Denmark. Mr. Boyd is a man of wide bank experience in Alberta.

Weekly Bank Clearings

(As compared with same week last year)

Eastern Cities	Dec. 16, 1926	Dec. 15, 1927
Halifax	$ 2,792,103	$ 3,358,022
Saint John	2,524,780	3,062,399
Moncton	1,176,384	1,082,802
Sherbrooke	1,062,263	894,842
Quebec	6,715,123	8,061,497
Montreal	114,626,208	169,012,155
Ottawa	5,990,443	8,434,598
Toronto	114,897,121	150,395,445
Hamilton	5,624,741	6,286,657
Brantford	1,183,512	1,361,070
London	2,720,887	3,101,104
Chatham	649,712	806,523
Kitchener	1,160,354	1,235,679
Sarnia	647,649	605,597
Windsor	4,257,880	5,034,749
Western Cities	**Dec. 16, 1926**	**Dec. 15, 1927**
Fort William	$ 929,394	$ 1,048,369
Winnipeg	61,976,539	78,823,739
Brandon	706,980	693,315
Moose Jaw	1,362,622	1,542,071
Saskatoon	2,284,627	2,696,292
Prince Albert	407,866	461,322
Lethbridge	657 800	750 811
Calgary	10,301,088	11,924,437
Edmonton	5,507,728	5,598,455
Lethbridge	342,684	750,811
New Westminster	656,743	755,502
Vancouver	17,844,187	19,669,011

UNITED GRAIN GROWERS LIMITED

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

AS AT 31st AUGUST, 1927

Profit and Loss Account for Year Ending 31st August, 1927

By Earnings			$3,275,949.57
Consisting of Profits from Grain, Storage and Handling Charges, Farm Supplies, Dividends from Investments, Sales of Properties, etc.			
To Expenses		$2,173,398.56	
Consisting of Wages and Expenses operating Country and Terminal Elevators, Handling and Selling Expenses of Farm Supplies, etc., and General Administrative Expenses, Rentals, Insurance, Taxes, etc.			
To Interest on Bonds, Mortgages and Debentures		107,229.96	
To Depreciation		275,055.11	
On Elevator Buildings and Machinery, Warehouses and Miscellaneous Equipment.			2,555,683.63
Balance, being Net Profit, subject to Government Taxes, carried to Balance Sheet			$ 720,265.94

GENERAL BALANCE SHEET

ASSETS

CURRENT ASSETS			$4,942,606.20
Funds in Bank and on Hand		$1,753,322.26	
Bonds—Dominion of Canada and Provincial Governments, etc. (at cost)		808,055.00	
Advances on Bills of Lading and Other Debts due to the Company		419,280.03	
After providing for estimated Doubtful Accounts.			
Stocks of Grain and Farm Supplies		653,649.62	
As per Certified Inventories.			
Miscellaneous Supplies, Accruals and Deferred Expenses		131,821.49	
As per Certified Statements.			
Stocks and Shares and Exchange Memberships		1,166,736.80	
		$4,932,865.20	
Advances to Subsidiary Companies		9,741.00	
		$4,942,606.20	
CAPITAL ASSETS			$6,257,066.39
Elevator Buildings and Machinery, Warehouses and Miscellaneous Equipment		$6,033,131.55	
Real Estate		125,909.26	
Office Furniture and Equipment		98,025.58	
		$6,257,066.39	$11,199,672.59

LIABILITIES

CURRENT LIABILITIES			$2,255,166.25
Outstanding Cheques		$ 312,888.98	
Outstanding Orders and Cash Tickets		93,953.54	
Accounts and Bills Payable (including Sundry Accruals)		1,139,834.25	
Shareholders' Dividends		256,118.05	
		$1,802,794.82	
Deposits by Subsidiary Companies		452,371.43	
NOTE—In addition to the above Liabilities, the Company is contingently liable in respect of guarantees for Bank and other Loans of Subsidiaries of $56,000.00.		$2,255,166.25	
CAPITAL LIABILITIES			1,859,440.03
First Mortgage Bonds (Maturing 1st January, 1940)		$ 871,000.00	
Authorized, $2,000,000.00. Issued, $1,050,000.00. Amount outstanding after deducting annual redemptions through Sinking Fund, $871,000.00.			
Mortgages		919,240.03	
Debentures (Maturing 1st March, 1938)		69,200.00	
Amount Issued	$87,500.00		
Less: Redeemed and Held in Sinking Fund	18,300.00		
	$69,200.00		
		$1,859,440.03	
CAPITAL STOCK			2,979,078.48
Amount Subscribed		3,239,250.00	
Amount Unpaid		260,171.52	
		$2,979,078.48	
RESERVES			$3,500,000.00
General		$1,500,000.00	
Depreciation		2,000,000.00	
After adding customary depreciation provision and appropriation from Profit and Loss Account and Deducting adjustment for Buildings and Equipment sold.		$3,500,000.00	
PROFIT AND LOSS ACCOUNT			605,987.83
Amount Brought Forward from Previous Year		664,565.20	
Less: Dominion Government Taxes Paid	$58,707.74		
Payment to Saskatchewan Co-operative Wheat Producers Limited	3,359.42		
		62,067.16	
		$ 602,498.04	
Profit for Year, Subject to Taxation		720,265.94	
		$1,322,763.98	
From which has been appropriated:			
Patronage Dividend and Payment to Alberta Pool	$126,597.07		
Shareholders' Dividend at 8% per annum	237,245.38		
To General Reserve	42,933.96		
To Depreciation Reserve	309,999.74		
		716,776.15	
		$ 605,987.83	$11,199,672.59

Winnipeg, 16th November, 1927. Signed on behalf of the Board of Directors,
T. A. CRERAR, President.
C. RICE-JONES, First Vice-President.

We beg to report to the Shareholders that we have audited the Books and Accounts of United Grain Growers Limited, for the year ending 31st August, 1927, and we hereby certify that, in our opinion, the foregoing Balance Sheet is properly drawn up so as to exhibit a true and correct view of the Company's affairs as at that date, according to the best of our information and the explanations given us and as shown by the Books of the Company. The quantities and values of the Stocks of Grain, Farm Supplies, etc., are in accordance with inventories and valuations prepared and certified to by the Company's officials, whilst the securities covering the investments in Stocks, Shares and Memberships have been produced for our inspection or authenticated by certificates from the Company's Bankers, as also have the Funds standing to the Company's credit in the Banks. All our requirements as auditors have been complied with.

(Signed) JOHN SCOTT & CO., Chartered Accountants.

OUTLOOK FOR 1928 OF MASSEY-HARRIS ONLY FAIRLY GOOD

Montreal Interests Are Reported Now to Control This Company

DIVIDEND PROSPECTS

May be Two Opinions Among Directors as to Advisability of Payment—European Business Normal

A Montreal stock news service says that J. W. McConnell and Frank Jones may go on the board of Massey-Harris Co. next year. Whether or not anything of the kind will take place cannot be confirmed in any authoritative quarter. It has been asserted that Montreal interests now control the company. It is known that both Mr. Jones and Mr. McConnell have substantial blocks of stock. The Montreal interest entered the picture after the common stock was split and sold above 30.

It has been said the present financial control of the company is so conservative that compulsion from shareholders may be the only means of obtaining a dividend on the common stock. Eight months ago, there was talk of a $2 payment on this stock. Three months ago, the gossips were sure of a $1 dividend. Nowadays, the more or less patient shareholders are wondering if a dividend is an early prospect at all.

Earnings Are Higher

In the year ended November 30, 1926, Massey-Harris showed earnings of $9.57 on the old common stock, which would be $2.40 approximately on the present common. The figures for the fiscal year ended November 30, 1927, will not be available until late in January and until that time directors of the company are not expressing opinions. It is possible that there are two opinions on the board as to whether a dividend should be paid on the common stock.

Profits for the last fiscal year probably will be higher than in the previous year. Some predictions are that the gain will be from 25 to 40 per cent. ahead of last year, but this statement, it should be noted, lacks confirmation.

The outlook for next year is considered to be about normal. The French factory of the company, while not so active as a year ago, is manufacturing on a scale that was expected. The same is true in Germany.

It is said to be too early to predict with any confidence the trend of business in such agricultural countries as the Argentine and Australia. Massey-Harris Company does not get its orders from these countries until at the end of the crop season, and as the grain in both countries is but half grown at this time, the results hardly can be forecast. The preliminary reports of the two governments, however, indicate smaller crops than in the previous year. Smaller crops would affect the business of the agricultural machinery companies to some extent.

To Sell Threshers

It has been announced that Massey-Harris Co. has the sole sales agency, domestic and export, for the threshing machines and parts manufactured by the Sawyer-Massey Co. This arrangement—similar to an arrangement between these two concerns more than a generation ago—is expected to be mutually beneficial. Sawyer-Massey Company will continue to market their own road-machinery and other goods.

Sawyer-Massev Co. recently was taken over by a new group. The Hamilton Company, while operating warehouses in Western cities, has not nearly so complete a sales organization, at home or abroad, as Massey-Harris Co. The agency, therefore, is likely to result in increased activity at the Hamilton plant, especially as the Sawyer-Massey thresher is highly regarded. The Massey-Harris Co. heretofore has manufactured and marketed every type of agricultural equipment except plows and threshers. It has had a plow agency for some years, so that the addition of the thresher, along with the Massey-Harris reaper-thresher, completes the line.

Canadian sheep population increased by 120,000 during 1927, according to the Dominion Bureau of Statistics, the total standing at 3,262,756.

NATION'S BUSINESS

(Continued from page 1)

involved in the claims of the textile companies, it can be said with truth that tariff stability is the ideal which should be aimed at. Given a stable tariff, the textile company managements will be able to operate their plants or to expand as the needs for efficiency dictate without any fear of legislation which would bring to naught their efforts. Under the present situation, this is impossible. Tariff stability in the industry would react favorably on the industrial and business life of the nation as a whole. It is to be hoped that the tariff board will prove to have brought the industry its long-sought ideal.

* * *

THERE are other industries which are expecting relief from inequalities of the tariff. The steel industry, for instance, is a sufferer from competition which keeps several large plants idle, virtually so, and relief was suggested in the Duncan report for the benefit of the Nova Scotia industry. The steel industry, however, has less hope of favorable action than has the textile industry for the reason that opposing interests connected with the Maritime steel and coal industry are quarreling and the government may be of the opinion that nothing reasonably can be done until the present or another management has clear sailing ahead.

* * *

ANOTHER immediate result of the tariff board's work is expected to be the downward revision of excise taxes on tobacco and its products and on liquors. In both of these groups, the war-time levels of taxation are still in effect.

CANADIAN WESTERN LUMBER

Statement of Lumber Manufactured, Sales and Price Realized for the Month of October

	1926 Feet	1927 Feet	Increase Feet
Lumber Mfd. ...	9,691,258	10,036,116	344,858
Lumber Sold ...	7,324,724	7,831,583	506,859
Price Realized ...	$172,185	$181,772	$9,587
Agg. Lumber Mfd. from 1st. Jan. to end of Oct. ...	136,755,636	100,805,375	35,950,261*
Agg. Lumber sold from 1st Jan. to end of Oct. ...	132,923,696	132,005,922	917,774*
Agg. price realized	$3,165,269	$2,897,671	267,598*

* Decrease.

Dividend Notice

Monarch Mortgage & Investments Limited

Preferred and Common Dividends.

Notice is hereby given that a dividend at the rate of Eight per cent. per annum has been declared upon the Preferred shares of Monarch Mortgage and Investments, Limited, also a dividend of five cents (.05c.) per share upon the Common shares of the Company.

The above dividends will cover the six months' period ending December 31st, 1927, and will be paid January 15th, 1928, to shareholders of record December 31st, 1927.

By order of the Board.

EDWARD A. TANNER,
Secretary-Treasurer.

Toronto, December 14th, 1927.

Holt Renfrew & Co. Limited

DIVIDEND NOTICE ON PREFERRED STOCK

Notice is hereby given that Dividend No. 34, amounting to 1¾% on the Preferred Shares of the Company, has been declared payable on the 2nd day of January, 1928, to shareholders of record on the 29th day of December, 1927.

By order of the Board.

R. B. LINDSAY,
Secretary-Treasurer.

Montreal, Dec. 17, 1927.

CENTRAL CANADA LOAN AND SAVINGS COMPANY

Quarterly Dividend and Bonus

Notice is hereby given that a Quarterly Dividend of Three per cent (3%) for the three months ending December 31st, 1927, has been declared upon the Capital Stock of this Institution, together with a Special Bonus of Six per cent (6%) for the year 1927, making a total dividend distribution of Eighteen per cent. (18%) for the year.

Both the dividend and bonus will be payable at the offices of the Company, Toronto, on and after Tuesday, the 3rd day of January, 1928.

The Transfer Books will be closed from the 16th to the 31st of December, both days inclusive.

By order of the Board,

G. A. MORROW,
Managing Director.

Toronto, December 5th, 1927.

Toronto Insurance Men Choose Anderson as Head

At the annual meeting of the Life Underwriters' Association of Toronto last week, the following officers were elected to serve the association for the coming year: Hon. president, G. Angus German, C. L.U., Crown Life Association; president, A. D. Anderson, C. L. U., Aetna Life; 1st vice-president, F. C. Hoy, C. L. U., Canada Life; 2nd vice-president, E. Newtown Jory, C. L. U., Great West Life.

The association record the establishment during the past year of a new Canadian record for membership in an organization of this sort. The total figure for 1927 stands at 318, an increase of 8 over the high mark of 1926.

The Mexican Light and Power Company, Limited

(Incorporated under the Laws of Canada)

NOTICE TO HOLDERS OF THE ORDINARY SHARES OF THE COMPANY

Notice is hereby given that the holders of share certificates for the Ordinary Shares of the Company wherein such shares are specified as of $100 each should now lodge the same for the purpose of having printed thereon a notice of the conversion of such shares into shares without nominal or par value.

Share Certificates can be lodged with, and Listing Forms obtained at the office of the Company, 357 Bay Street, Toronto, or from the Company's London Agents, the Canadian & General Finance Company, Limited, 3, London Wall Buildings, London, E.C. 2, England, on any week-day (Saturday excepted) between the hours of 11 a.m. and 1 p.m. and 2 p.m. and 4 p.m.

Holders should procure the endorsement without delay as the Certificates without the endorsement may be declared as not good delivery on the market.

THE MEXICAN LIGHT AND POWER COMPANY, LIMITED.
R. H. MERRY,
Secretary.

Toronto, Dec. 21st, 1927.

National Grocers Company Limited, Toronto

Dividend No. 9

Notice is hereby given that a Dividend of Two per cent., being at the rate of Eight per cent. per annum upon the First Preference Stock or this Company, has been declared payable January 2nd, 1928, for quarter ending December 31st, 1927, to Shareholders of record at the close of business December 19th, 1927, and that the Transfer Books of the Company will be closed as to the Transfer of First Preference Shares on the 20th day of December, 1927, to the 31st day of December, 1927, both days inclusive.

By order of the Board of Directors.
A. C. PYKE,
Secretary-Treasurer.

Service Station Equipment Company, Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of forty cents (40c) per share has been declared on the Class A No Par Value Shares of the Company, for the quarter ending December 31st, 1927, payable January 3rd, 1928, to Shareholders of record at the close of business on December 22nd, 1927.

H. W. KNIGHT,
Secretary.

Canadian Industrial Alcohol Company Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of thirty-eight cents (38c) per share has been declared on the Capital Stock of this Company for the quarter ending 31st December, 1927, payable 16th January, 1928, to shareholders of record at the close of business on 31st December, 1927.

By Order of the Board,

J. GIBSON LAWRENCE,
Secretary-Treasurer.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 25th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.
J. A. McLEOD,
General Manager.

Halifax, N.S., December 16th, 1927.

ONTARIO

Sale of Pine Timber

Tenders will be received by the undersigned up to and including Monday, 23rd January, 1928, for the right to cut the Pine timber in the Townships of Unwin, and Leask excepting the Southwest quarter, and the Red and White Pine on the Southwest quarter Leask, West-half Haentschel and East-half Lampman, District of Sudbury.

Further particulars may be obtained upon application to the undersigned, or to Mr. J. G. McCaw, Acting Crown Timber Agent, Sudbury, Ontario.

W. FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

FOREIGN EXCHANGE

NEW YORK FUNDS

	High (Discount)	Low	Last Year High (Discount)	Last Year Low
Dec. 15	5-64	5-64	7-64	7-64
Dec. 16	5-64	5-64	1-8	7-64
Dec. 17	3-32	5-64	1-8	7-64
Dec. 19	1-8	3-32	1-8	7-64
Dec. 20	1-8	7-64	3-32	5-64
Dec. 21	9-64	9-64	5-64	1-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Dec. 15	4.87⅞	3.93½	5.42½
Dec. 16	4.87 13/16	3.93	5.42⅝
Dec. 17	4.87 13/16	3.93⅝	5.42½
Dec. 19	4.87 15/16	3.93½	5.42¾
Dec. 20	4.87 15/16	3.93½	5.42½
Dec. 21	4.88	3.93	5.42¼

FOREIGN EXCHANGE

Par		Dec. 14	Dec. 21
13.90	Italian	5.43½	5.43½
23.82	German	23.91	23.94
19.30	Belgium	14.01½	14.01
84.85	Japan	46.15	46.45

RAILWAY EARNINGS

Week end. Dec. 14	1927	1926	Change
C. P. R.	$4,060,000	$3,997,000+	$63,000
C. N. R.	4,465,464	4,774,514—	309,050

Highest type of man with clientele to sell for an established brokerage house, investment securities, permanent connection. Box 144, The Financial Post, 153 University Ave., Toronto, Ont.

Laurentide Company Limited

DIVIDEND NOTICE

A Dividend of one and one-half per cent. (1½%) has this day been declared upon the Capital Stock of this Company for the quarter ending December 31st, 1927, payable Tuesday, January 3rd, 1928, to Shareholders of record at the close of business December 15th, 1927.

By Order of the Board of Directors,
W. F. ROBINSON,
Secretary.

Montreal, Que., December 7th, 1927.

Marcus Loew's Theatres, Limited

DIVIDEND NOTICE

Notice is hereby given that the Directors of the Company have declared a dividend of 3½% on the Preference Shares of the Company for the half-year ending the 31st day of December, 1927, payable on the 14th day of January, 1928, to shareholders of record on the books of the Company at the close of business on the 30th day of December, 1927.

By Order of the Board,
B. V. McCRIMMON,
Assistant-Secretary.

TEXTILE DOMINION CO·LTD

Dominion Textile Co. Limited

Notice of Common Stock Dividend

A DIVIDEND of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY Limted has been declared for the quarter ending December 31st, 1927, payable 3rd January, to shareholders of record December 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, December 2nd, 1927.

TEXTILE DOMINION CO·LTD

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limted has been declared for the quarter ending December 31st, 1927, payable January 16th, to shareholders of record December 31st.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal December 2nd, 1927.

Canadian Pacific Railway Company

Dividend Notice

At a meeting of the Board of Directors held to-day a dividend of two and one-half per cent. on the Common Stock for the quarter ended 30th September last was declared from railway revenues and Special Income, payable 31st December next to Shareholders of record at three p.m. on 1st December next.

By order of the Board.
ERNEST ALEXANDER,
Secretary.

Montreal, 14th November, 1927.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1928, to Shareholders of record as at close of business December 15th, 1927.

(Signed) W. S. BARBER,
Secretary.

The Trinidad Electric Company, Ltd.

Notice is hereby given that a dividend of 1¼% for the quarter ending Dec. 31st, 1927, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each Shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of January, 1928.

The transfer books of the Company will be closed from the 1st to the 10th of January, 1928, both days inclusive.

By order of the Board.
F. B. OXLEY, Secretary.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid up Capital Stock of this Institution has been declared for the Quarter ending 31st December, 1927, and, in addition, a Bonus of one per cent., making a total distribution of thirteen per cent. for the current year. The Dividend and Bonus will be payable at the Head Office of the Bank and its Branches on and after Tuesday, the 3rd day of January, 1928, to Shareholders of record of 20th December, 1927.

The Annual General Meeting of the Shareholders will be held at the Head Office of the Bank, in Toronto, on Wednesday, the 25th January, 1928, at twelve o'clock noon.

By order of the Board.
C. A. BOGERT,
General Manager.

Toronto, 24th November, 1927.

GROUND WOOD PULP FOR SALE

Four hundred tons of ground wood pulp at $10 per ton below cost of production. Freight rate to New York $2.25 per ton. Address "Ground Wood," c/o The Financial Post, Toronto 2, Ont.

The Consolidated Mining and Smelting Company of Canada, Limited

Dividend No. 47

Notice is hereby given that a Dividend of five per cent. (5%) on the Paid-up Capital Stock of the Company for the six months ending December 31st, 1927, with bonus of five dollars ($5.00) per share, has this day been declared, payable on the 16th day of January, 1928, to shareholders of record at the close of business on the 31st day of December, 1927.

By order of the Board.
J. B. RILEY,
Secretary.

Montreal, December 13th, 1927.

CARLING BREWERIES LIMITED

Dividend No. 2

Notice is hereby given that a quarterly dividend of Fifty cents (50c) per share for the quarter ending December 31st has been declared payable January 1st, 1928, to shareholders of record December 10, 1927.

By Order of the Board,
CHAS. BURNS,
President.

THE REAL ESTATE LOAN COMPANY OF CANADA, LIMITED

Notice is hereby given that a Dividend at the rate of three and one-half per cent. for the half year ending 31st inst. has been declared upon the Capital Stock of the Company, and that the same will be payable at the Offices of the Company on and after the 2nd January, 1928, to Shareholders of Record of 17th December, 1927.

By order of the Board.
E. L. MORTON,
Managing Director.

Toronto, 1st December, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of The Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "B" Thirty-Year Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Toronto Mortgage Co.

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, together with a Bonus for the year of One per cent., both payable on

1st January, 1928,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board.
WALTER GILLESPIE, Manager.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, Nos. 23 to 25 King Street West, Toronto, on Tuesday, the 10th day of January next. The chair will be taken at 12 o'clock noon.

By order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 25th November, 1927.

The Shawinigan Water & Power Company

Notice of Redemption

To the holders of the Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of the Shawinigan Water and Power Company.

NOTICE IS HEREBY GIVEN that all of the outstanding Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds of the Shawinigan Water & Power Company, issued under and secured by a Trust Deed of Hypothec, Mortgage and Pledge, dated October 8th, 1919, and Deeds supplemental thereto, in favour of Montreal Trust Company, as Trustee, which would, according to their terms, mature on July 1st, 1950, will be redeemed by the Company, pursuant to the terms of the said Deeds, on the First Day of January, 1928, at par with a premium of five per cent. thereon and with interest accrued to the date of redemption.

The said Bonds will be paid at the redemption price aforesaid upon surrender thereof, with the coupons maturing on January 1st, 1928, and all coupons for subsequent interest attached thereto, at the principal office of The Royal Bank of Canada, in the City of Montreal, Canada, or at the principal office of the Bank of the Manhattan Company, in the Borough of Manhattan, City and State of New York, U.S.A., or at the Bank of Scotland, in London, England, at the holder's option.

In case such Bonds are not presented for redemption on January 1st, 1928, all interest on said Bonds will cease from and after the said date.

DATED at Montreal, this 29th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Series "C" Six Per Cent. First Refunding Mortgage Sinking Fund Gold Bonds may surrender the same at the principal office of The Royal Bank of Canada, Montreal, or at the principal office of the Bank of the Manhattan Company, Borough of Manhattan, N.Y., or at the Bank of Scotland, London, England, at any time on or after November 1st, 1927, and prior to the date fixed for redemption and upon such surrender will receive a sum equal to the redemption price of one hundred and five per cent. (105%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY.
(Sgd.) JAMES WILSON,
Secretary.

The Shawinigan Water and Power Company

To: The holders of the Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds of the above named Company, due January 1, 1934, secured by Trust Deed dated June 14th, 1904, in favour of The Royal Trust Company, Trustee.

NOTICE is hereby given that in the exercise of the power reserved to it under the provisions of the said Trust Deed, the undersigned Company will, on the first day of January, 1928, redeem all of its Five Per Cent. (5%) Consolidated Mortgage Thirty Year Gold Bonds, which may be then outstanding, by payment of the principal thereof with a premium of ten per cent. (10%) thereon and accrued interest to the said first day of January, 1928, at the principal office of the Bank of Montreal, in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at the option of the holder or bearer.

Holders of said Bonds are accordingly required to present their Bonds, together with all unmatured coupons attached, for redemption, on the aforesaid date, from and after which said Bonds will cease to bear interest.

Dated at Montreal, Canada, this 12th day of September, 1927.

THE SHAWINIGAN WATER & POWER COMPANY,
Jas. Wilson,
Secretary.

Referring to the foregoing Notice of Redemption, holders of the said Five Per Cent. (5%) Consolidated Mortgage Thirty-Year Gold Bonds may surrender the same at the principal office of the Bank of Montreal in Montreal, Canada, or London, England, or at the agency of the said Bank in the City of New York, U.S.A., at any time on or after November 1st, 1927, and prior to the date fixed for redemption, and upon such surrender will receive a sum equal to the redemption price of One Hundred and ten per cent. (110%) with interest accrued on such Bonds to the date of surrender thereof.

THE SHAWINIGAN WATER & POWER COMPANY,
(Sgd.) Jas. Wilson,
Secretary.

Featuring Textile Investments

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, DECEMBER 23, 1927 No. 51

Woollen Mill Heads Tell Ottawa of Need for Tariff Revisions

Canada is Unable to Cope with European Importations Which Are Produced at Lower Cost Than in Dominion — Seeks Measure of Protection

The urgent need for a revision of the woollen tariff schedule, which would afford a greater degree of protection to Canadian manufacturers of woollen and knit goods, has been ably set out in a brief submitted to the advisory board on tariff and taxation at Ottawa.

The brief points out that there is a market in Canada for approximately $40,000,000 worth of cloth, and although the Canadian mills could produce 50 per cent. of the nation's requirements, only 30 per cent. of the cloth consumed is produced in Canada. The reason why the Canadian mills have not obtained a greater proportion of the home market is due to the fact that production costs are lower in Europe than in Canada, and that the measure of protection afforded the Canadian industry by duty placed on the cloth coming into the country is not sufficient to place the Canadian mills on a par with the low-cost producers from abroad. If the Canadian mills were afforded an opportunity to compete on an equal basis, they could produce, by operating only in the daytime approximately 50 per cent. of Canada's cloth requirements and that could be even increased to 65 per cent.

Big Canadian Market

In 1925 the number of woollen cloth mills in Canada was 57. The mills were located as follows: 42 in Ontario, 10 in Quebec, and 5 in New Brunswick and Nova Scotia. These mills produced yarn, blankets, papermakers' felt and knitted goods, as well as cloth, to the value of $15,499,326 annually. The actual cloth produced in Canada amounted to $11,714,799. Imports of cloth into Canada for the same period amounted to $23,110,894. This consisted of about half woollen cloth and half worsted cloth. Of the imported cloth, 83.9 per cent. came from the United Kingdom, 10.8 per cent. from France and 2.7 per cent. from the United States, and the balance from other countries. The consumption of Canadian cloth amounted to $11,653,477, and the consumption of imported cloth amounted to $24,360,810. That is out of a market of $36,014,267 for cloth in Canada in 1925, Canadian mills obtained 32 per cent. and imported cloth 68 per cent. This shows that there is a market in Canada for three times as much cloth as the Canadian mills made.

There are no government figures for production in Canada for more recent periods than the twelve months ended December, 1925, but the imports of cloth are available for the twelve months ended March, 1926 and 1927. These show that imports of cloth into Canada for the twelve months ended March, 1926, amounted to $24,786,970. For 1927 the figures and $28,154,684. Since the trend of prices has been downward, these figures show that there was an increased sale in Canada of imported cloth amounting to $3,367,785 in the fiscal year, 1927, over 1926, or a percentage increase in value amounting to over 13 per cent.

Shorter Dresses

The claim has been made that the total cloth market in Canada has been reduced through women wearing shorter dresses, the substitution of knitted fabrics for woven fabrics, and that the people are wearing less woollen clothing. If this be so, it would indicate that the total cloth market in Canada in 1926 was less than in 1925 and less in the twelve months ended March, 1927, than in the corresponding period in 1926. This would mean that since the total imports of cloth have increased during the year ended March, 1927, by $3,367,705, over the preceding twelve months, production in Canada has decreased to a much greater amount than this.

The production of cloth in Canada for the twelve months ended March, 1927, was obtained through questionnaires to the mills, replies being received from thirty firms representing 96 per cent. of the mills in operation in Canada. These returns showed a production of woven cloth in Canada, not including blankets, traveling rugs and papermakers' felt, of $11,504,654, but by comparing the Canadian production with the total consumption of cloth in Canada, it was found that this amounted to but 32 per cent. in 1925 and 30 per cent. in March, 1927.

From the questionnaire, it was ascertained that had the Canadian mills been normally operating all their looms for 304 days at the usual hours of labor and working days only, they would have produced $19,398,175 worth of cloth instead of $11,504,654 for the year ended March, 1927.

Small Capacity

The figures, therefore, show that Canadian mills throughout the whole cloth industry produced but 58 per cent. of the normal capacity and filled only about 30 per cent. of the market requirements in Canada. The figures also show that there is a cloth market in Canada for about $40,000,000 worth of cloth and that only 30 per cent. of this market was obtained by the woollen cloth mills in Canada.

The main reason why the Canadian mills do not obtain a larger share in the market is due to the fact that the laid down costs of imported cloth is somewhat less than the price at which similar cloth can be produced in Canada and sold under present market conditions.

Claims of Mills

The claim of the Canadian mills is that there is a bona fide difference in the cost of production in Canada as against countries abroad, and that the rate of duty on the Canadian woollen tariff schedule is not sufficient to allow for this difference. This is due to the fact that the standard of wages paid in foreign countries, especially for women workers, is much lower than in Canada. Then, again, Canadian mills must be of better construction in order to stand the climate, and there is also the matter of expensive heating apparatus and consequent greater expenditures for coal. The Canadian mills are also obliged to pay duty on machinery and repair parts when these are imported.

While the Canadian mills receive their chief competition from the British mills, they are not asking that the British preference be abolished, but they do ask that the tariff rate shall be so revised that they may obtain a more reasonable portion of the Canadian trade. Their claim is that increasing the Canadian duty on cloth will not materially affect the cost to the consumer, because the mills, through increased production, will be able to reduce their costs, and prices will still be controlled by competition. In addition, also, an increased consumption of Canadian woollens would aid the farmer materially who thus would find a much better market for his raw wool.

PARADOX CREATED IN WOOL INDUSTRY

Manufacturers Import Wool for Products and Export Clips Abroad

The Canadian woollen trade shows a peculiar paradox in that Canadian woollens manufacturers import a large part of the wool required for their products while at the same time, Canadian wool producers sell a considerable portion of their wool clip to the foreign markets. Canada, of course, imports a great deal more woollen products that she exports, but both imports and exports have shown a moderate increase during the last four or five years. Thus, last year, exports of wool and its products were valued at $1,822,168, as compared with $1,169,661 in 1922. Wool exports reached their high mark in 1925, however, when their total value amounted to $2,982,599. Raw wool constitutes the largest part of the Canadian woollen export. In 1925, this amounted to $2,434,524, while in 1927 it was $1,538,660. Imports of wool and woollen products in the last fiscal year were valued at $50,575,753, an increase of over $15,000,000 since 1922. Imports of raw wool to Canada are a very small item as compared with imports of manufactured woollen articles.

Although the wool clip of Canada is considerably lower than the figures which obtained during the war period when the incessant demand for wool caused an intensive production, it has shown some improvement over the past few years. The wool clip in the last calendar year is estimated at 17,180,000 pounds by the Department of Agriculture. This is considerably below the 24,000,000 pounds peak which was reached during the war, but it is better than the figures for the last two years which were in the neighborhood of 15,500,000 pounds.

The amount of wool manufactured in Canada has been declining according to the leading woollen manufacturers. Last year this amounted to 23,330,000 pounds, as compared with 32,692,000 pounds in 1922. Exports of raw wool have also shown a decline. Last year they amounted to 6,514,000 pounds, and in 1923 they were as high as 8,667,000 pounds. Imports of raw wool have also fallen off. Last year they were at 13,414,000 pounds and in 1924 they were 19,321,000 pounds. In the period of depression which followed the prosperous years immediately succeeding the great war, the Canadian woollen industry, with many others, was hard hit. Peacetime markets could not supply sufficient orders to keep in operation plants which had been largely expanded to meet war demands. This condition has gradually remedied itself and with the increased prosperity which the country is enjoying and the gradual increase in population, a growing volume of business has been secured by the Canadian woollen textile companies. Business is improving and better conditions are foreseen.

In 1922, the value of the products of this industry was $29,062,761. This had increased in 1925 to $31,249,900. Although the value of products has increased, the number of factories engaged in the industry has declined. This is largely due to mergers and consolidations. Thus in 1922, 137 plants were in operation, while in 1925 there were but 119. Capital invested in the plants rose from $37,102,382 to $42,316,208. The number of employees and the amount paid in salaries remained about stationary; the number of employees in 1922 was 8,073, and in 1925, 7,900; the amount paid in salaries and wages in 1922 was $7,200,272, while in 1925 it was $6,915,087. The cost of materials showed an increase of $18,776,658. The power requirements of the industry showed a decline. In 1925, 22,556 horsepower was used, and in 1922, 23,395 horsepower.

The Canadian wool industry is divided into four classes of factories. There is a group which produces woollen cloth; another which engages in the manufacture of woollen yarns; a third produces carpets, rugs, etc., while a fourth produces various kinds of woollen goods. Those firms engaged in the manufacture of woollen yarns have shown the greatest growth in the three years from 1922 to 1925. Their output inchreased from $5,850,345 to $7,333,093. The miscellaneous group occupies second position in point of increase and rose from $4,331,468 to $5,513,230. The value of the output of woollen cloth is almost stationary, being $15,410,537 in 1922, as compared to $15,499,326 in 1925. The carpet, mat and rug factories show a slight falling off in value of their output. This amounts to $2,905,251 in 1925, while in 1922 it was $3,470,402.

Record of Textile Stocks

	Div. Rate	Yield Dec. 17	Range 1925 High	Range 1925 Low	Range 1926 High	Range 1926 Low	Price Dec. 17 (or last) High	Price Dec. 17 (or last) Low
Can. Conn. C., pfd.	4	6.34	51¼	39	49	35	69	36
Can. Converters	7	6.57	95	80	104	90	109	92
Can. Cot., com.	8	5.71	124½	106	124	113	140	115
Do, pref.	6	5.76	96½	90	99½	92½	104	95
Can. Wool., com.	.	...	15	5½	8	4	19	5
Do., pref.	.	...	61	41	60¼	45	89	59¾
Cosmos Im., com.	.	...	..	..	16½	14¾	31½	13
Do., pref.	7	7.07	..	..	93½	92	103	91¼
Dom. Tex., com.	5	3.90	95½	66	107½	89	135⅞	105
Do., pref.	7	5.55	119	111	122	115	128	115¾
Monarch K., com.	.	...	30	30	10	10	37½	7½
Do., pref.	.	...	80	45	60	30	54	45
Mont. Cot., com.	6	5.00	105	95	112	102	120	110
Do., pref.	7	5.69	117½	109	115½	112	123	114
Paton Mfg., com.	.	...	..	..	55	50	60	50
Do., pref.	.	...	..	..	100	75	100	95
Penmans, com.	4	4.23	185	144	191	174½	x108	70
Do., pref.	6	5.71	105⅝	99	104½	100½	105	101
Wabasso Cotton	6	4.80	66½	55¼	100	60	137	84
Zimmerknit, com.	.	...	..	..	..	..	28½	18
Do., pref.	7	7.77	..	..	..	..	95	89½

xIn March, 1927, stock changed to no par value.

Canada Provides Market for $40,000,000 of Cloth

From brief of Canadian Woollen and Knit Goods Industries to Tariff Board

"We believe that increasing the Canadian duties on the cloth will not materially affect the cost to the consumer in Canada, because the mills through increased production will be able to reduce their cost; and prices will still be controlled by competition.

"There is a market in Canada for approximately $40,000,000 worth of cloth.

"The Canadian mills are producing only 30 per cent. of the cloth consumed in Canada.

"By working days only, the mills operating at present in Canada could produce approximately 50 per cent. of the requirements; and there would be no difficulty in producing 65 per cent. of the requirements.

"The reason why the Canadian mills do not obtain a greater proportion of the home market is that production costs are lower in Europe than in Canada, and that Canadian duties are not sufficient to allow for this.

"That increasing the duties on cloth would have the same effect as in Australia; it would result in increased employment in Canada, and while regulating the volume of imports it would not act as an embargo; it would not increase materially, if at all, the cost to the consumer."

RELIANCE GROWS WITH INVESTORS ABOUT TEXTILES

Confidence is Due to Increase in Financial Resources of Companies

There has been a steady growth in the confidence of investors in the Canadian cotton and textile companies. This growth in confidence is due to the growth in the financial resources and the able and conservative management of the cotton textile companies.

While the spinning and weaving of cotton is not a big industry such as lumber, milling, mining, or papermaking, yet the substantial protection which first was granted this industry has proved of assistance in enabling the smaller units to develop in their earlier years. At present, of course, the tariff protection afforded these companies is not to be compared to the assistance afforded shortly after its birth, and to-day practically all the cotton companies, while they have increased their output over 1926, are meeting the keenest of competition from producers in England, France and the United States.

Keen Competition

Despite increases in the prefertial tariff, and the competition of the Southern States, the Canadian cotton textile mills have been able to better their position over a term of years. How keen such competition is, may be judged from the fact that the southern textile mills in the U. S. are operated by the cheapest labor in the world, and are located in the centre of the source of their raw material.

It is satisfactory to note, though, that the stabilization or improvement of European currency is a factor which has or will tend to reduce the amount of dumping cotton textiles in this country.

In the face of unfavorable conditions, the big four of the textile industry, namely, Dominion Textiles, Wabasso, Canadian Cottons, and Montreal Cottons, have been able to increase their earning power and develop their output and find new markets for new products. The managements of these companies have been very successful in seeking out new weaves in order to capture more markets.

The stability of the Canadian textile mills management to adapt itself to new conditions and to do it quickly enough to contend with competition, is evidenced in the weaving of artficial silk textiles by the larger mills.

FASHION CHANGES AFFECT SERIOUSLY TEXTILE INDUSTRY

Consumption of Cottons, Per Capita, Has Decreased in Recent Years

One of the chief difficulties encountered by the textile industry in recent years has been the decrease in the per capita consumption of cottons, due to changes in fashion. These changes resulted in the use of fewer and smaller garments and in a demand for finer and more expensive textiles such as silk and rayon. The progress of the industry in surmounting these difficulties, has been in several directions. There has been naturally a slight expansion of the demand with the growth in population. In the last two years, the large supplies of raw cotton brought about low prices for the raw product which, in turn, has been passed on to the consumer, thus broadening the demand. The companies have successfully adjusted themselves to the inventory burdens imposed upon them by the change in marketing methods over the past few years, in other words, the results of hand-to-mouth buying.

In the meantime, the deadening influence of the change in methods has worn off. The Canadian companies have made substantial progress in quality and design, thus making it possible for cotton goods to compete more successfully with other textiles. In addition, practically all the Canadian cotton textile companies have used rayon to some extent in some of their lines, thus making their output more interesting and attractive. The industry has reached stability through trying times, and as a result, plant efficiency now in the Canadian mills is at a peak.

Vagaries of Women's Whims are Applicable Also to Men

To the universal privilege of woman to change her mind, and at the same time, change her style of dress, has been laid the severe depression that has been experienced by many branches of the textile industry. The discarding of the traditional petticoat for new types of garments, and the changing of the fabric from the cotton used by the older generation to silk and artificial silk has seriously affected the output of many cotton mills.

In the same way, the mills engaged in the knitting of woollen hosiery have been hard hit by the modern woman's preference for silk hosiery.

It is not generally known, however, that men's styles have been changing too, and that certain branches of the textile industry have been seriously affected by the changes. Thus those factories which were engaged in knitting balbriggan underwear have had to face serious competition from the new type of underwear favored by men, which consists largely of cotton, nainsook and similar types of goods.

In the matter of shirtings, the mills have been obliged to swing from the production of white goods into colors, and the increasing use for broadcloth has caused a diminishing output of the lines formerly favored. So also in the manufacture of collars. The old starched collar is practically a thing of the past. Even the soft white collar is fast disappearing, as colored shirts with colored collars are now in vogue, or shirts with the collar attached.

It will thus be seen that although present trade conditions have forced many mills in the textile industry into the doldrums, all the blame cannot be placed on changing styles for women, as the taste of the males of the present generation has also played its part.

Government is Blamed for Serious Depression Affecting Cloth Mills

Inadequate Tariff Protection Does Not Allow Canadians to Compete Against Foreign Imports — Many Mills Forced to Reduce Operations

CONDITIONS ARE SERIOUS

In U.S. Industry Has Over-Expanded, But in Canada There is Not Enough Machinery to Supply More Than Half of Home Market

Inadequate tariff protection is said to be the cause of the serious depression which has affected the cloth mills of Canada. The Canadian rate of duty in the woollen tariff schedule was lowered in 1922 and 1923 and has not yet been readjusted. This has resulted in the Canadian mills being obliged to compete with foreign manufacturers operating under a standard of wages which amount to but one half to one quarter of the wages paid in Canada.

The few branches of the woollen and knit goods industry which have shown improvements during the past year, are those in which a better protection has been secured. No improvement has been felt by the cloth mills, white blanket weavers, yarn spinners, cashmere hosiery knitters, or the manufacturers of certain classes of knitted outerwear.

Condition Is Serious

The condition of the Canadian cloth mills is said to be particularly serious, and leaders in the industry maintain that no improvement may be hoped for until the necessary tariff readjustments are made. Workers in these mills have been put on short time and in many cases the mills have been closed down. It is said that two-thirds of the business which these mills should be doing, is being secured by the foreign manufacturers.

The American woollen and worsted mills enjoy a much larger measure of protection than do the Canadian mills, but the industry in the United States has experienced also much depression. It has been argued that this is conclusive proof that inadequate protection cannot be held responsible for the present condition of the Canadian mills. J. A. Burns, president of the Canadian Woollen and Knit Goods Manufacturers' Association, in a recent address, set out clearly the difference in the conditions which obtain in the two countries. He showed that in the United States the difficulty lay in the fact that the industry had over-expanded and was now equipped with machinery capable of turning out more goods than could be consumed by the domestic market, while in Canada there is not enough machinery to supply more than half of the home market, even if all the mills were working full time, single shift.

Mr. Burns said in part:

Production Standpoint

"The market for wool piece goods in the United States consists of the aggregate purchase of all the customers who use these materials, the bulk of which is bought by the manufacturers of apparel for men, women and children. The wool cloth imports last year amounted to only 3.2 per cent. of the total volume in this country. The single shift production capacity for the average loom in the country is $12,000 a loom, making a total of $840,000,000 for the industry. Current consumption according to the figures which have been quoted is about $656,000,000 annually, which figures out exactly 77.3 per cent. of the single shift production capacity of this country at present prices. From the standpoint of production, briefly stated, the problem is to discover what group activities will most effectively assist the mills to operate at a profit on the present basis of demand."

Before our Advisory Board on Tariff and Taxation, it was shown that in Canada there is a market for $40,000,000 worth of woollen and worsted cloth per annum, of which in the fiscal year 1927, there was imported $28,154,000 worth or 70 per cent. of the total requirements. That is, Canadian mills could only obtain 30 per cent. of the home market, and produced this by working about 58 per cent. of their single shift capacity. Working full day shifts they could produce about $20,000,000 worth of cloth, and the mills would be working night shifts if they were able to obtain 75 per cent. of their market.

Canada's Importation

It will be seen, therefore, that in the United States their cloth mills occupy 96.8 per cent. of their home market, in Canada our cloth mills occupy only 30 per cent. of the home market; in the United States, imports supply only 3.2 per cent. of the market, in Canada, imports supply 70 per cent.; in the United States, there is enough machinery working single shift at 77.3 per cent. capacity to supply their home market, while in Canada there is not enough machinery to supply more than half of the home market, even if working full time single shift. In the United States, the problem of the woollen and worsted cloth mills is too much machinery which tariff adjustments cannot cure; in Canada the problem is too great imports which tariff adjustments can cure.

Conditions Are Better in Wool and Knit Goods Says Industry President

Burns States 70% Woollen and Worsted Cloth Was Imported During Year, Which Means Dominion Mills Can Obtain Only 30% of Home Market

By J. A. BURNS, Dunnville, Ont.,
President, Canadian Woollen and Knit Goods Manufacturers' Association

During the past year, conditions have been better in a few branches of the woollen and knit goods industry, but not in lines where, owing to low Canadian customs duties, business which should be placed in Canada is placed with mills in other countries. There has on the whole been no improvement felt by the cloth mills, white blanket weavers, yarn spinners, cashmere hosiery knitters, or the manufacturers of certain classes of knitted outerwear. Our industry is dependent on tariff protection to enable it to maintain and expand in face of intensive competition from countries abroad where the wages paid are from one-half to one-quarter of the wages paid in Canada, and although the Canadian rates of duties in the Woollen Tariff Schedule, which even then were too low, were lowered in 1922 and 1923, they have not as yet been re-adjusted. Considering all the difficulties of the past few years the members of this industry have shown a courage, a fortitude and a hope in the future worthy of any industry's finest traditions.

The condition of the cloth mills in Canada is particularly serious and shows no sign of improvement. Our workers are on short time, many mills are closed down, and others on the verge of closing down, because two-thirds of the business is going to the workers in mills in other countries, where the standard of wages, especially for women workers, are lower than in Canada.

I have been asked several times why the scaling up in duties in Canada would assist our industry when the woollen and worested cloth industry in the United States is not prosperous with their rates of duties. Mr. A. D. Whiteside, president of The National Credit Office, when speaking before representatives of the woollen and worsted cloth industry of the United States at New York on June 15 last said:

Wool Cloth Imports

"The market for wool piece goods in the United States consists of the aggregate purchase of all the customers who use these materials, the bulk of which is bought by the manufacturers of apparel for men, women and children. The wool cloth imports last year amounted to only 3.2 per cent. of the total volume in this country. The single shift production capacity for the average loom in the country is $12,000 a loom, making a total of $840,000,000 for the industry. Current consumption according to the figures which have been quoted is about $656,000,000 annually, which figures out exactly 77.3 per cent. of the single shift production capacity of this country at present prices. From the standpoint of production, briefly stated, the problem is to discover what group activities will most effectively assist the mills to operate at a profit on the present basis of demand."

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It will therefore be seen that in the United States their cloth mills occupy 96.8 per cent. of their home market, in Canada our cloth mills occupy only 30 per cent. of the home market; in the United States, imports supply only 3.2 per cent. of the market, in Canada, imports supply 70 per cent.; in the United States, there is enough machinery working single shift at 77.3 per cent. capacity to supply their home market, while in Canada there is not enough machinery to supply more than half of the home market, even if working full time single shift. In the United States, the problem of the woollen and worsted cloth mills

(Continued on page 20)

Confederation's Vision Realised

A Canadian Industry backed by Canadian Capital, Employing Canadian Labor and Supplying the Needs of Canadians from Coast to Coast.

PRUE
COTTONS

FIRST incorporated in 1905, the Dominion Textile established its position as the leading producer of textiles in the Dominion. It is true that the Industry was in its infancy in those days, but Dominion Textile Co. has kept pace with the march of progress. To-day the Textile Industry constitutes one of the major industries of a growing nation, and to-day, Dominion Textile Co. maintains its proud position as the dominant producer of cotton textiles in Canada.

The company owns and operates plants whose efficiency and up-to-date methods are unsurpassed by any other nation. Its range of products includes practically every variety of cotton yarn and weave.

Eight plants manufacturing yarn and cloth from the Raw Cotton, a Bleachery, a Print Works, and two Dye Houses constitute the Dominion Textile Co. Ltd.

The faith of the Canadian people rests with Dominion Textile Co. Of the $30,000,000 investment it represents, practically all is Canadian owned. In this it is unique as compared to the other major Canadian enterprises, in which foreign capital predominates.

The Fathers of Confederation visioned a nation in which Industrial and Agricultural development should grow hand in hand.

They foresaw an Industrial expansion that would afford profitable employment to a growing population; sound investment to Canadian capital, and that would supply the Canadian People with products for which they had been formerly dependent on foreign manufacturers.

DOMINION TEXTILE COMPANY is a Canadian Industry that has fulfilled the vision of the Founders of our Nation. It employs approximately 8,000 Canadian workmen, and maintains sales offices in the principal distributing centers of Canada.

Under a sound management policy it has maintained a satisfactory dividend record in the face of the keenest competition. The merits of Canadian Cotton goods and the continued favor they retain in the eyes of the Canadian consumer, are in no small way due to the merit of Dominion Textile Company products, the outstanding leader in the Canadian textile industry.

Dominion Textile Products

Printed and Dyed:

- Broadcloths—Printed and Plain Shades
- Fancy Shirtings
- Printed Dress Goods
- Mercerized Taffeta
- Crepes—Plain and Printed
- Egyptian Krinkle
- Chambrays
- Flannels
- Draperies
- Ticking
- Quiltings
- Scrims
- Printed and Dyed Drills
- Pocketings

Grey and Bleached:

- Bleached Cottons
- Cambrics
- Long Cloths
- Interlining
- Bleached Drills
- Sheetings—All Widths
- Pillow Cottons
- Towels
- Toweling
- Canton—Grey and Bleached
- Bag Cloths—Grey and Bleached
- Hosiery and Sale Yarns
- Grain Bags
- Duck—All Weights
- Blankets
- Shoe Lining
- Rubber Cloths

Officers and Directors:

President: Sir Charles B. Gordon, G.B.E.
Vice-President: Sir Herbert S. Holt
Directors: J. P. Black, F. G. Daniels, W. A. Black, J. H. Webb
General Manager: F. G. Daniels
Sec.-Treasurer: J. H. Webb
Asst. Sec.-Treasurer: J. A. Fish

Dominion Textile Co.
Limited

Head Office—Montreal

SALES OFFICES IN
MONTREAL TORONTO WINNIPEG VANCOUVER

Conservative Dividend Policy Shown by Dominion Textile Keeps Concern in Forefront

During Ten Years Accrued Surpluses Amounted to $4,810,013 — Anticipated That Earnings for Current Year Will Run at Satisfactory Level

The Dominion Textile Company is not handicapped to the same extent as some of the other cotton companies in that it produces a large volume of specialty lines, which are purchased by other manufacturers. For instance, it supplies the Dominion Oilcloth with the basic textile requirements of floor and table oilcloth. It produces fabrics for window blinds and a number of other specialized products which bulk fairly largely in its output. Thus, it is not dependent to the same extent as the other Canadian textile mills on the "counter" trade for goods sold by the yard in stores, and therefore is not as much at the mercy of price cutting on the part of other mills or importers.

The company does a large business in staple lines such as sheets and bedding, where the fashion element does not enter into the problems of production. Of course, the company has to watch closely the vagaries of fashion but the proportion of its output which is dependent upon this factor is smaller than in many of the other textile companies.

The first six months of the Dominion Textile Company's present fiscal year has proved very satisfactory, and even better than the similar period for the preceding year in which the company attained the highest poundage output to date. The cotton market which reached its lowest level December 1926, has shown a steady improvement during 1927, with an upward trend in prices which reached their peak in September, with raw cotton selling at 23 cents a pound.

In the face of the rise, Dominion Textile Company's sales held up well but when the market began to ease off in September, sales did likewise. Buyers, since that time, have been cautious in placing orders, looking for a bigger drop which has not taken place so far. This has cut down the company's progress made in the first six months of this year, so that business at the present time is below last year's levels.

To Replenish Shelves

It is felt that orders must be placed in the near future as buyers are not loaded up with a heavy stock and will soon be forced to replenish their shelves. This will enable the company to dispose of the present stock it now has on hand and as it has been holding the bag for the buyer in the face of the falling market, it will benefit correspondingly with the betterment of conditions.

While it is impossible at the present time to forecast what the earnings of the company for the year will be it is felt they will show no marked decrease over last year's, and will probably be as good or even better. This will depend on the inventories of raw cotton carried at the end of the year.

The company carries some three or four months supply of raw cotton on hand and the current market price for this has a large bearing on estimating the company's profits at the close of its fiscal year.

The plant of Dominion Textiles is in splendid physical condition. During the year, the print works at Magog were revamped and placed on a lower operating cost and higher efficiency. A great deal of old machinery was discarded and the latest methods of processing introduced. This will enable the company to meet the peak load demands of the garment manufacturers whose orders come in seasonal rushes.

A cotton warehouse was added to the Montmorency plant which will enable larger stocks of raw cotton to be carried there. An addition of 126 broad looms was made to the Merchant Mills during the year. This was to meet increased demands from rubber and oilcloth makers.

Weaving of Rayon

The company this year branched out into the weaving of rayon. It is buying the rayon yarn and weaving it into a range of fancy pattern brocades and fancy dress goods. The goods are being printed in plain shades at the Magog plant. Previous to this new departure the company imported grey rayon cloth from England and conducted considerable experimenting in this cloth until it ascertained just what met with the approval of the public. Having established several lines which have met with a ready sale, it is just now going into quantity production.

In certain of its big lines the company is turning out cloth in competition with cotton mills located in the southern United States. These mills can produce more cheaply because of lower labor cost and although the company makes no profits on its sales of these goods, it is obliged to manufacture them in order to retain its trade. It has also experienced considerable competition from the English mills. These mills have been deprived of their natural markets in the far East and rather than allow their machinery to remain idle, have been turning their attention to the demands of the Canadian trade. Competing amongst themselves, the English mills have cut prices to such an extent that a great many have been forced into the hands of receivers.

The Dominion Textile Company at the present time, is turning out 500 different lines of gray cloth. It has been trying hard to standardize its lines but the Canadian trade shows a tendency to increase its demand for diversified lines. In this respect, its demands are equal to a country ten times its size. This is a considerable factor in determining the manufacturing and distributing costs of the Canadian companies in competition with United States and English mills who are able with their mass production, to confine their activities to a limited number of standardized lines.

Company's Plant

The company owns eight cotton plants which take the raw material, spin and weave it. It owns also a bleachery and print works and turns out the product in every conceivable form from string to cotton blankets. The number of lines manufactured by this, the largest of the Canadian textile companies, is surprising. It produces over 3,000 different lines. This gives some idea of the magnitude of its operations. It also turns out practically every variety of yarn. Such a wide variety of lines means that with changing fashions the company must naturally arrange to carry large stocks of some lines over long periods. The company operates 11,058 looms and 530,000 spindles. It occupies over 80 acres of floor space and uses 20,000 horsepower, a large amount of which is owned outright by the company. It employs 8,000 hands.

Dominion Textile Company was originally incorporated in 1905 when the Dominion Cotton Mills Company Limited, the Montmorency Cotton Company, the Merchant Cotton Company, and the Colonial Bleaching and Printing Company were consolidated under the one management. In 1919 the company purchased the Mount Royal Mills from Canadian Cottons Limited.

Sound Management

The Dominion Textile Company has been noted for its sound and progressive management. Its mills are equipped with the modern machinery, and during the past two years the old-time looms have been replaced by automatic equipment bringing the plants up-to-date. Dominion Textile Company differs from most of the Canadian companies in that it does not purchase its raw materials from brokers, but through a subsidiary company operating in the Southern States. It is thus able to keep in close touch with the cotton market which has a decided effect on the company's profits.

The company has steadily improved its financial position, and has adhered to a conservative policy.

It has ploughed back a substantial part of its earnings in maintaining its plant equipment at the highest standard. In common with the other Canadian textile companies, Dominion Textiles has been engaged in intensive production during the past year, but the drop in cotton prices and the resulting decline in value of the output will cut down the value of this year's production.

Steady Progress

Earnings of Dominion Textiles have shown a steady progress over a period of years. Thus in 1926 its output of $21,718,269 was more than double that of the year 1916, although the high price period immediately following the close of the war showed somewhat higher values. During the past ten years the annual statements showed 185.73 per cent. earned on the common stock, with disbursements of 94.50 per cent., leaving a surplus after dividend to plough back into the property of over 91 per cent. The company split its stock on a three for one basis in 1923, and at present is paying a dividend of $5 per share on its 225,000 shares of common stock. Between 1916 and 1922 the dividend rate was gradually increased from 6 per cent. to 12 per cent., with $4 per share paid on the split stock up to 1925, when an increase was made to $5 representing 15 per cent. on the original stock. In a period of ten years, accrued surpluses amounted to $4,810,013.

It is felt that earnings during the current year are running at a satisfactory level.

Capitalization—

	Authorized	Outstanding
Common	225,000 shs.	225,000 shs.
No par value.		
Pref. 7% cum.	$2,000,000	$1,940,600
Par $100.		

Funded Debt—

First and refunding mortgage 6 per cent. bonds due September 1, 1949, $5,172,000.

Dividend Record—

Preferred paid regularly quarterly, Jan., Apr., July and Oct. 15.
Common, $5 per share per annum, payable $1.25 quarterly, Jan., Apr., July and Oct. 1. Increased from $1 to $1.25 per share for quarter beginning Apr. 1, 1925.

Officers and Directors—

Sir Charles B. Gordon, pres.; Sir Herbert S. Holt, vice-pres.; W. A. Black, F. G. Daniels, man.-dir.; J. P. Black, J. H. Webb, sec.-treas.; J. A. Fish, asst. sec.-treas.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING MARCH 31

	1927	1926	1925
Gross earnings	$1,825,294	$1,707,344	$1,684,909
Other income	276,692	197,965	263,760
Total	2,101,896	1,905,309	1,948,669
Less: Bond int.	310,320	310,320	637,813
Net profit	1,791,666	1,594,989	1,310,856
Less Appropriations—			
Pref. divs.	135,842	135,842	135,842
Com. divs.	1,125,000	1,125,000	900,000
Surp. for year	530,824	334,147	275,014
Add prev. surp.	5,999,163	5,665,017	5,390,003
Bal. car. for.	6,529,987	5,999,164	5,665,017

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,873,371	$ 485,842	$2,189,194
1919	3,434,752	535,842	3,349,033
1920	1,845,375	535,842	4,053,044
1921	1,931,010	635,842	4,636,591
1922	1,907,237	735,842	5,007,700
1924	1,767,529	1,035,842	5,390,003
1925	1,948,668	1,035,842	5,665,017
1926	1,905,309	1,260,842	5,999,164
1927	2,101,896	1,260,842	6,529,987

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	95½	66	107½	89	135⅞	105
Pref.	119	111	122	115	128	115¾

* To Dec. 16.

Cotton Holds Its Own Against Rayon Output

In a measure, rayon competes with cotton, but broadly speaking it can be said that rayon production has had little effect on the demand for cotton textiles. In spite of the tremendous increase in the output of rayon since 1913, the cotton weaving industry remains the most important textile industry in the world.

There is undoubtedly some competition between artificial silk and cotton on this continent, but the competition exists only in the higher grades of cotton. The mixing of rayon in cotton weaves has, in part, largely overcome this competition, and in addition there has been an increase in the industrial demand for cotton textiles, notably in the motor car and electrical industries.

The Canadian cotton industry is principally concerned with the domestic market, for the export demand for Canadian textiles is practically negligible. Nevertheless, world trade in cotton textiles has its very definite effect on the industry in the Dominion.

A variety of causes have contributed to bring adversity to the cotton textile industry throughout the world. Plants were expanded during the wartime, and since the war tariff barriers have been erected by many countries. The change in world trade has fallen very heavily on the Lancashire weavers. Thus, in world markets there is a steady surplus of cotton textiles seeking market. Some of this surplus has been dumped in Canada from time to time. All this tends to reduce the margin of profit of the Canadian textile mills.

BACKING BOTH SIDES

One of the leading Canadian textiles companies sent a buyer to New York to watch the cotton market. After a few days deliberation he wired his firm to this effect.

"Some think it will go up, some think it will go down. I do too. Whatever you do will be wrong. Act at once."

Regent Knitting Mills is Expanding Steadily

The Regent Knitting Mills operate plants in Montreal, St. Jerome, P.Q., and in Guelph, Ontario. Its St. Jerome plant is engaged in making worsted and woollen goods. It operates 190 knitting machines and 88 sewing machines, and produces heavy woollen sweaters, caps, mufflers, and other staples in heavy knitted outerwear. It is also equipped with a complete dyeing establishment for dyeing woollen, cotton and silk products.

The Montreal branch of the company is engaged almost entirely in the manufacture of fancy knitted goods, including sweaters, scarves, and women's costumes, in both worsted, real silk, and rayon.

The company operates a cotton spinning plant at Guelph, Ontario, known as the Regent Textile Company. Just as the greater part of the output of the woollen spinning equipment is used by the company's mills at St. Jerome and Montreal, so the cotton of the Guelph plant is used by these two plants, although a considerable quantity is sold to the trade generally, as is a portion of the wool spun and worsted yarns manufactured at St. Jerome.

The Regent Knitting Mills has expanded steadily since its incorporation in 1913 when the company entered into production in a small factory located in Montreal. To-day the company occupies three extensive plants.

Capitalization—

	Authorized	Outstanding
Common	$500,000	$500,000
Preferred	700,000	542,600
Par $100.		

Funded Debt—

First mortgage 6% bonds, due serially from 1926 to 1935 600,000

Officers and Directors—

C. G. de Tonnancour, pres.; J. F. Lemieux, vice-pres.; L. Marcoux, man. dir.; J. F. Boulais, L. C. Parenteau, C.A., sec.-treas.

INCOME AND SURPLUS ACCOUNT, YEARS END. DEC. 31

	x1926	1925
Gross sales	$2,057,392	$1,830,670
Less oper. expenses	1,806,618	1,613,186
Net earnings	$250,774	$217,484
Other income	......	......
Total	$250,774	$217,484
Less:		
Bond interest	......	28,156
Deprec. res.	89,396	79,611
Bad debts writ. off	......	......
Bond dis.	......	7,200
Net profits	$116,648	$102,517
Surplus for year	......	102,517
Add prev. surplus	......	436,920
Bal. carried forward	$590,752	$539,437

xOnly figures available.

CAN. CONVERTERS WORK TO UTMOST TO FILL DEMANDS

Stock's Value Likely to Increase Over Period of Years

The mills of Canadian Converters Company have been operating at capacity during the past seven months of its current year. Some departments have been working two and three nights a week. The volume of business is reported to be bigger and better than last year and prices a little stiffer. It is anticipated that earnings for 1927 will show an increase.

The company is noted for the conservative policy it pursues, and it is doubtful that any increase will be made in the dividend payments.

As in the past, the surplus will probably be plowed back into the company. It was the strong reserve funds the company had built up which enabled it to weather successfully the post-war depression period when many other companies failed to survive. Although trade prospects for the coming year appear bright, the company is said to be preparing already for any general trade reversals that might affect its present prosperity.

Exclusively Wholesale

Canadian Converters differs from the majority of the textile companies in that it is not engaged in the actual production of textiles, but purchases these goods from the textile companies and converts them into its own products, which it sells exclusively to the wholesale trade. It manufactures shirts, collars, work clothes, underwear, whitewear, children's and women's dresses, aprons, and a variety of other lines. Most of its purchases are made from the Canadian textile companies, although a small quantity is bought from foreign manufacturers.

Canadian Converters is the largest organization of its kind in the Dominion. Its two plants are located in Montreal, where it employs some 700 to 800 operators. The company maintains sales offices in Toronto, Vancouver and Saint John, N.B., but as most of its output is sold to wholesalers, and under the wholesalers' respective names and brands, Canadian Converters itself is not well known to the purchasing public.

The company has no bonded debt nor preferred stock outstanding and the common stock represents the entire ownership of the property. It is not likely that there will be any marked appreciation in this stock, but in view of the sound record of business administration, there is but little doubt the stock will increase steadily in value over a period of years. Thus it can be regarded as an investment purchase.

Capitalization—

	Authorized	Outstanding
Common	$3,000,000	$1,733,500
Par value $100.		

Dividend Record—

Common now paying 7 per cent.. Payment of dividend at rate of 4 per cent. was resumed August 15, 1912; reduced to 2 per cent. per annum February 15, 1915; dividend for quarter ending July 31, 1915, passed; resumed at rate of 4 per cent. April, 30, 1917; increased to 1¼ per cent. per quarter July 31, 1918; increased to 1½ per cent. per quarter January 3, 1920; increased to 1¾ per cent. for quarter ending July 31, 1920, and since then paid at that rate.

Officers and Directors—

J. H. Roy, pres. and gen. mgr.; Thos. J. Rodger, J. N. Laing, J. M. Mackie, vice-pres.; D. Paterson, T. R. Rennie, R. C. McMichael, K.C.; T. M. Barrington, sec.-treas.

Profit and Loss—	1927	1926	1925
Net earnings	$138,736	$161,800	$129,808
Invest. income	17,627	11,954	24,664
Total	156,363	173,754	154,472
Less: bond int.	6,965	11,940	18,940
Deprec, etc.	27,000	30,000	10,000
	33,965	41,940	28,940
Net profits	122,398	131,814	125,532
Less Appropriations—			
Com. divs.	91,009	91,009	91,009
Divs. payable	30,336	30,336	30,336
Moving plant	......	......	8,000
Surp. for year	1,053	121,345	129,345
Add pr. surp.	665,965	655,495	695,308
Bal. car. for.	667,018	665,964	655,495

Ten Years' Earnings—

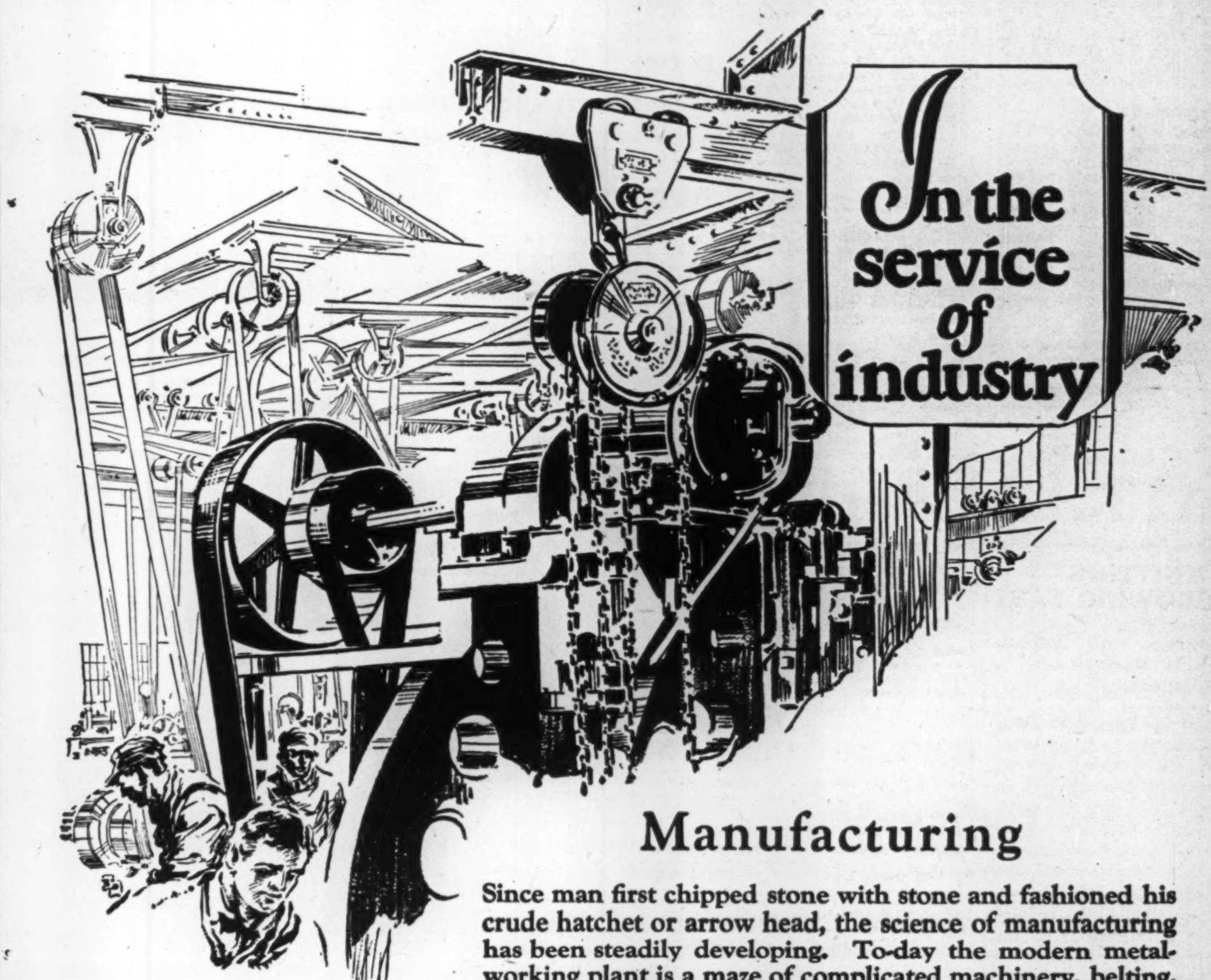
End April 30.

Year	Earnings	Dividends	Surplus
1918	$217,889	$ 52,005	$373,316
1919	257,324	65,006	443,879
1920	329,822	95,342	570,532
1921	327,457	121,345	620,704
1922	201,938	121,345	645,358
1923	202,300	121,345	655,822
1924	193,778	121,345	659,309
1925	154,472	121,345	655,495
1926	173,754	121,345	665,964
1927	156,363	121,345	667,018

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	95	80	104	90	109	92

* To Dec. 16.


In the service of industry

Manufacturing

Since man first chipped stone with stone and fashioned his crude hatchet or arrow head, the science of manufacturing has been steadily developing. To-day the modern metal-working plant is a maze of complicated machinery, belting, pulleys and shafting, driven, it may be by steam, electricity or crude oil.

From the laying of the foundation of the manufacturing plant to the supplying of the belt on the last machine we serve such industries in a multitude of ways. To the contractor we supply concrete mixers, hoists, shovels, etc. Into the equipment of the building go our pumps, valves, pipe, fittings and steam goods. And for the actual manufacturing equipment we supply wood and metal working machinery, transmission equipment, shop supplies, and the motors or oil engines to provide the motive power.

On farm and in forest, on fishing vessel and in mine, as well as in every type of factory, warehouse and mill, Fairbanks-Morse service and Fairbanks-Morse products are known and appreciated.

Scales.Valves.Engines
Pumps.Motors.Steam
Specialties.Pipe & Fittings
Brown & Sharpe Machine Tools
McDougall Lathes. Drills & Shapers
Gisholt Lathes & Boring Mills
Hoefer Drills. Pels Punches
& Shears. Walcott Shapers
Barnes Drills. Landis
Threading Machines
A complete line of wood &
metal working machinery
Transmission Equipment
Graton & Knight Leather Belting
Dick's Balata Belting
Shop Supplies. Yale Hoists
Norton Grinding Wheels
Burt Oil Filters
Yale Electric Trucks
Jacklift Trucks
Warehouse Trucks
Automotive Equipment

521

The CANADIAN
Fairbanks-Morse
COMPANY-Limited
St. John-Quebec-Montreal-Ottawa-Toronto-Windsor-Winnipeg-Regina-Calgary-Vancouver-Victoria
THE MAKERS OF FAIRBANKS SCALES AND VALVES

Intensified Production Marks Year's Business of Wabasso Cottons

Early in Year Company Split Its Shares and Issued 70,000 of New No Par Value Stock to Shareholders Below Market Quotations

Intensified production has marked the past year's business for Wabasso Cottons, the mills have been operating continuously day and night and should the present rate of production be continued to the end of the fiscal year, in June next, this year's output should show a considerable increase. Prices have been much lower during the past year but it is thought earnings will be equal to, or possibly a little better than those of 1926.

The company during the present year entered into the print business and is now turning out cotton and silk prints. Orders for these new lines are being booked and the new departure will doubtless be favorably reflected in the year's earnings.

More Floor Space

Steady expansion in the business of the Wabasso Cotton Company and the increased output of the plant necessitated the addition of 10,000 square feet floor space to the mill in 1926. The output consists of fine cotton, lawns, nainsook and cambric. Although Wabasso was first incorporated in 1907 to manufacture fine white cottons, textiles, cambrics and yarns, which were then imported from abroad, it has of late years, developed several colored lines as well. The company has also gone into the manufacture of rayon weaves. Its rayon products and colored lines have met with a ready market.

The Wabasso Cotton Company's output consists in part of specialized lines, on which competition is not so keen as in the usual run of cotton textiles. It has developed the manufacture of white goods to a point where its product occupies a place of its own in the Dominion.

The company's first mill was constructed at Three Rivers, Quebec, in 1907, and in 1912 it purchased all the capital stock of the St. Maurice Valley Cotton Mills, which was also located at Three Rivers. In 1916 the company acquired 90 per cent. of the stock of the Shawinigan Cotton Company, operating mills situated at Shawinigan Falls, Que. This plant produces hosiery, knitting yarns, and knit goods. The Oxford Knitting Mills, Woodstock, Ont., in turn is controlled by the Shawinigan Cotton Company.

Separate Unit

The St. Maurice Valley Cotton Mills is simply an extension to the original Wabasso plant, although it operates as a separate unit. The Shawinigan Falls and Woodstock, Ont., plants are engaged in the manufacture of hosiery, knitted goods, and similar lines.

Early this year, Wabasso to finance to its expansion, split its shares and issued 70,000 shares of the new no par value stock to the shareholders at a figure below the prevailing market quotations. Because of the long continued satisfactory record of the able management, the shares are regarded as an excellent long hold investment.

Capitalization—

	Authorized	Outstanding
Capital stock No par value.	105,000 shs.	52,500 shs.

Funded Debt—

First mortgage 6 per cent. bonds, due 1947	$1,000,000	$811,000
Sinking fund, 7 per cent. bonds, due 1942	750,000	676,000

Dividend Record—

Initial dividend of 2½ per cent., covering two quarters, was paid July, 1918; 1¼ per cent. Oct., 1918; 1½ per cent. Jan., April and July, 1919; Oct., 1919, 2 per cent., which quarterly rate was maintained until Oct., 1920; Jan., 1921, to date $1 per share quarterly on shares of no par value. A bonus of 50 cents a share paid Jan., April, July and October 2, 1927.

Officers and Directors—

C. R. Whitehead, pres. and gen. mgr.; J. W. Pyke, vice-pres.; W. G. E. Aird, manager; W. I. Gear, Hugh MacKay, K.C.; Wm. Harty, Jr., R. N. Ball, J. R. Ritchie, sec.-treas.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING JUNE 30

	1927	1926	1925
Gr. earnings	$456,920	$313,438	$285,749
Other profits	82,041	82,177	90,318
Total	538,961	395,615	376,067
Less: Deprec.	150,000	100,000	100,000
Bond int.	96,284	98,629	100,092
Sinking fund	19,760	18,465	17,240
Net profits	272,917	178,521	158,735
Less Appropriations—			
Dividends	192,500	140,000	140,000
Accrued int.	4,797	......	......
Surp. for year	75,620	38,521	18,735
Add prev. surp.	673,519	634,998	616,263
Bal. car. for.	749,139	673,519	634,998

Ten Years' Earnings—

Year End. June 30	Earnings	Dividends	Surplus
1918	$515,868	$ 43,750	$580,347
1919	477,551	100,625	603,263
1920	489,425	140,000	299,279
1921	435,913	140,000	442,381
1922	396,014	140,000	546,156
1923	416,877	140,000	613,111
1924	361,837	140,000	616,163
1925	376,067	140,000	634,998
1926	395,615	140,000	673,519
1927	538,961	192,500	749,139

Market Record—

	1925		1926		x1927	
	H	L	H	L	H	L
Com.	66½	55	100	60	137	84
Bonds	99	92	101	98	100½	100⅝

xTo Dec. 16.

ST. MAURICE VALLEY
(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Capital	$1,250,000	$1,250,000

(Stock all held by the Wabasso Cotton Co.)

Funded Debt—

First Mortgage, 6 per cent. bonds, due 1952	$2,500,000	$1,225,400

Officers and Directors—

C. R. Whitehead, pres.; R. N. Ball, W. G. E. Aird, J. W. Pyke, Hugh MacKay, K.C., J. R. Ritchie, sec.-treas.

OXFORD KNITTING
(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Capital	$50,000	$50,000

SHAWINIGAN COTTON
(Controlled by Wabasso Co.)

Capitalization—

	Authorized	Outstanding
Cap. stock	$1,000,000	$1,000,000

The Wabasso Cotton Co. owns $96,080 of the outstanding stock.

Funded Debt—

First gold bonds 6 per cent., due 1949, $870,500, of which amount $87,500 are owned by Wabasso Cotton.

Dividend Record—

None.

Times Bucharest cable says local newspapers state numerous American, British and Continental credits to Roumanian industry have been withdrawn as result of Roumanian students' anti-semitic riots.

REGENT KNITTING IS GROWING FAST

Steady Progress and Expansion Marks History of Company

The history of the Regent Knitting Mills has been one of steady progress and expansion. Incorporated in 1913, it began business in a small way in Montreal. Since that time the company has grown to such an extent that it is now operating woollen mills at St. Jerome, Que., and Montreal, and a subsidiary cotton mill, Regent Textiles Ltd., at Guelph, Ont. It also owns a considerable portion of the stock of Regent Knitting Corporation situated in Syracuse, N. Y.

During the year the company extended the operations of its knit goods department in its Montreal plant by adding an additional floor. A new hosiery department for the manufacture of all wool stockings for men, boys, and girls, was put into operation at the St. Jerome mills. Additional equipment was added to the Guelph plant, and extensions made to the buildings. All these additions will enable the company to increase materially its output and meet the increasing demands for its products.

The employees of the company have grown from a small force to over 750 employed at its three plants.

Investment interest in Regent Knitting Mills is centred in its bond issue which was made in 1923. This was an issue of $600,000 6 per cent. 1st mortgage bonds redeemable serially from 1926 to 1935, of which there is $575,500 outstanding.

The year 1926 was a very satisfactory one for the company when its gross profits amounted to $250,774, and net profits after deductions for depreciation, bond interest and bond discount, to $116,649. Net profits amounted to over three times bond interest requirements.

The output for the present year will be about the same as last year. Sales have been better, notwithstanding the keener competition which the company in common with the other mills engaged in the industry, has experienced. Profits will be as satisfactory as in 1926 and may possibly be a little higher.

A further review of the company appears on page 19 of this issue, while to supplement the earnings figures there given a more detailed analysis appears below:

	1925	1926
Profits	$ 217,484	$250,774
Deduct:		
Depreciation	$ 79,611	$ 89,396
Bond interest	28,155	38,509
Bond discount	7,200	6,220
	$ 114,966	$134,125
Net profits	$ 102,517	$116,648
Previous balance	436,919	474,103
Profit and loss balance .	$ 539,437	$590,752
Working Capital—		
Current assets	$1,018,753	$959,786
Current liabilities	341,788	291,152
Working capital	$ 676,964	$668,634

INTEREST INCREASES IN SHEEP BUSINESS

Population Gaining Steadily With Only Best Blood Used

From almost every part of Canada come reports of increased interest in the sheep business. There is no big boom — sheepmen themselves do not wish for such a thing — but the industry is developing steadily and in a way which bids fair to become permanent. With but one or two exceptions, the Dominion Bureau of Statistics reports an increase in the sheep population of the various provinces, with particularly heavy gains in the West. The highly satisfactory prices for lamb and wool, coupled with efficient wool marketing machinery which takes this product into the leading markets both on this continent and in Europe, are largely responsible for the expansion.

Fortunately, during this period of heavy growth breeding stock is sufficient to meet the demands, and on the whole buyers are choosing their purchases carefully and with an eye to the future. At Raymond, in Southern Alberta, the other day, 17,000 high quality Rambouillet sheep were purchased from the Knight Sugar Company for distribution through the range areas of Alberta and British Columbia. At Langley, in British Columbia, the first of a series of boys' and girls' sheep clubs has been established. This is the same sheep club idea which has already worked out so satisfactorily in certain sections of Ontario. In Ontario, breeders of purebred sheep report surplus stock all cleared out, with shipments to all parts of Canada and many states in the Union. These reports not only indicate steady expansion, but also that only the very best stock is being used to produce the larger flocks of the future.

There is, too, a more general interest in the problems that confront the sheep breeder. Through the medium of the National Research Council, wool manufacturers and officials of the Federal and Provincial Departments of Agriculture, and the Canadian Co-operative Wool Growers, have joined together in forming a committee of the Council to study the problems of the wool grower. As a result of their activities, it is hoped that any prejudice still remaining on the part of Canadian manufacturers toward Canadian wool will disappear, and consumption of the domestic product in the country will increase. Not content alone with studying marketing questions, the Council is also striving to solve problems which breeders must face, such as the production of a more uniform quality of wool, and the elimination of black fibres through the fleece. The latter are a decided detriment in the production of blankets and similar goods of natural color. This is very largely a question of selection, and paying more attention to the fleece of the ram.

World Market is Found For Dominion's Wool

Canadian wool and Canadian sheep have long been popular in the United States, but the heavier duties placed on the first named product shortly after the war made the opening of new and alternative markets imperative.

A few years ago, the Canadian Cooperative Wool Growers made the first direct shipment of graded wool overseas, and as a result of careful selection and rigid grading the trade quickly developed.

This year the demand from abroad has been particularly marked, and just recently the Steamship "Manchester Commerce" sailing from the Port of Montreal carried a quarter of a million pounds of Canadian wool—eleven carloads—destined for the English and Continental markets from the Canadian Co-operative.

Although this is the largest shipment of wool ever made from a Canadian port, it is only one of several made by the same organization this season, and is conclusive proof that Canadian wool has now found its way into every market of the world.

CONDITIONS BETTER IN WOOL AND KNIT GOODS INDUSTRY

(Continued from page 17)

is too much machinery which tariff adjustments cannot cure; in Canada the problem is too great imports which tariff adjustments can cure.

Indications of Prosperity

Owing to the market for our goods being almost entirely within our own country, we are particularly interested in general conditions in Canada. We are directly interested in any indications of prosperity for all agricultural and manufacturing industries, because we are dependent on them for our market. During the past year, those engaged in agriculture, raised a larger quantity of produce to sell while prices for agricultural produce on the whole are higher than a year ago. Mining, including coal, precious metals, oil, clay and structural products, has made advances over the previous year. Lumbering, while not all that could be desired, is healthier. Construction is greater in value and shows a decided increase in employment. And the fishing industry alone, with a poor catch and lower prices for some kinds of fish, is the only primary industry in which there is not improvement. Retail trade during the last year shows a slight improvement according to reports. On the whole, manufacturing industries had a greater production in value than a year ago, but it is doubtful whether the increased production will be reflected in increased profits. I sincerely trust that through the efforts of your organization our industry will shortly be in a position to participate in the improved conditions of the country.

Your organization in the period under review has used exhibits, talks to organizations, pamphlets and even the radio, to explain to the people of Canada about our industry, and to impress upon them the fine quality of products turned out by our weaving and knitting mills. Everybody in our business knows the need of energetically combatting the unfair propaganda regarding the quality of textiles produced in Canada circulated in our country by those interested in keeping the workers in mills abroad busy. I had a salesman call on me during the last month who tried to sell me worsted suit lengths of imported cloths. He was not content to praise the goods he had to sell, but he depreciated the class of cloths made in Canada. He was sufficiently indiscrete to say that one of our well known cloth manufacturers had told him that their Canadian blue serge was not as good as the imported blue serge he was showing, that Canadian mills sent their blue serges abroad to be dyed, and that cloths could not be dyed in Canada owing to the water. The Canadian manufacturer, of course, had said no such thing. Many mills in Canada produce serges equal or better than the sample the salesman showed, no mills in Canada send cloth abroad to be dyed, indeed cloth comes into Canada from other countries to be dyed, and there is nothing wrong with our water for dyeing purposes. These facts were all indisputably established at the recent hearing of our applications before the Advisory Board on Tariff and Taxation, as well as the fine quality of our woven and knitted products.

In spite of the heavy importations from abroad of woollen and knit goods, our industry is of considerable size, and were we producing in Canada a reasonable proportion of our home requirements, would be of great importance to Canada. This is apparent when we remember that 60 per cent. of the 273 individual establishments are located in villages or towns of under 10,000 population, and that any increased demand for labor would be felt directly and immediately in these places. The latest government figures available are for the calendar year 1925. They show 273 establishments, with a capital of $69,573,359, employing 22,547 people and paying wages and salaries of $18,420,415. And according to the Canada Year Book, over 94 per cent. of the capital employed in the industry is Canadian.

Dominion and Provincial
Government Bonds

Municipal Bonds

Public Utility
and
Industrial Financing

Foreign Issues Quoted

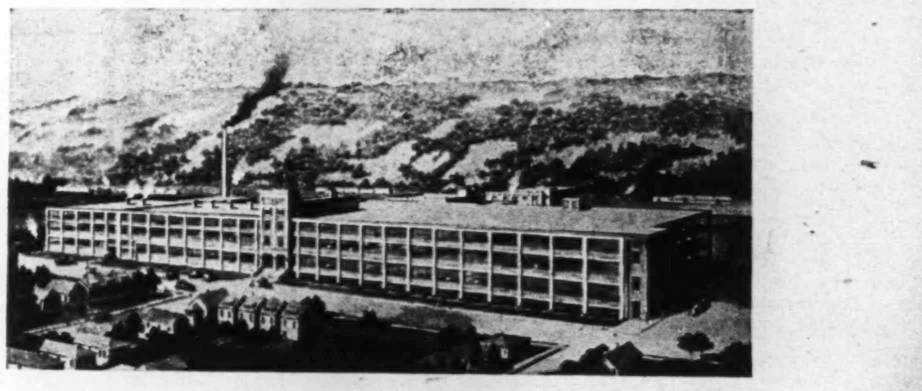
DOMINION SECURITIES CORPORATION
LIMITED.
Established 1901

MONTREAL OFFICE
189 St. James Street

E. R. WOOD, President
Head Office: 26 King Street East
TORONTO 2

LONDON, ENG., OFFICE
No. 6 Austin Friars

MERCURY MILLS
LIMITED



The *daylight* factory of Mercury Mills, Limited, Cumberland Avenue, Hamilton, Ontario, where Mercury knitted lingerie, Mercury hosiery and Mercury underwear for men, women and children are manufactured.

MANUFACTURERS OF

Rayon Knitted Lingerie in Vests, Bloomers, Teddys, Princess Slips, etc.

"Nuwayon" — Buttonless Underwear for Men and Boys.

Cotton, Rayon, Silk and Wool, and Pure Unshrinkable Wool, Underwear.

Fine Hosiery for Men, Women and Children.

Full Fashioned Silk Hosiery.

Fashioned Cashmere Hosiery.

Mercury
Hosiery & Underwear
for the whole family

MERCURY MILLS, LIMITED - HAMILTON, ONTARIO

Foreign Competition Has Detrimental Effect on Canadian Woollens

Any Real Betterment in Position of Company Depends to Large Extent on Woollen Industry Receiving Adequate Governmental Protection

Canadian Woollens has benefitted to some extent by the general tide of prosperity which the country as a whole is now experiencing. It is therefore thought that its earnings next year will show some slight improvement over those of its past fiscal year which ended on June 30. In common with the other companies engaged in the woollen industry, it experiences keen competition from foreign manufacturers. A strong effort is being made by the companies engaged in the industry to secure adequate protection and their case is now being considered by the Tariff Board. The company is well- managed and in a healthy liquid position.

Although the preferred dividends have been in arrears for the past five years, and no dividend has been paid on the common stock since 1921, the company during the past year acquired two small yarn-spinning plants, the Milton Spinning Mills at Milton, Ontario, and the Otonabee Mills of Peterborough. These mills were close competitors of Canadian Woollens and were purchased on favorable terms. They are being operated as wholly-owned subsidiaries, but will probably be later consolidated with the parent company.

Transferred to Peterborough

Canadian Woollens was incorporated in 1917, being the consolidation of the Auburn Woollen Company, established in 1918, owning a plant and 23 acres of land at Peterborough, the Standard Woollen Mills Company, established in 1884, owning a plant located in Toronto, and the Bonner-Worth Company established in 1911, operating a modern plant located at Peterborough. In 1924 a French dry spinning process was installed in the Bonner-Worth plant, but has since been given up and in 1926 the Standard Mill in Toronto was disposed of and its business transferred to Peterborough.

Canadian Woollens is engaged in the spinning, weaving and dyeing of woollen yarns, tweeds and velours and overcoatings.

Although the earnings of the company have been a source of disappointment to the shareholders, there is a strong equity behind the preferred stock and it has been estimated that its book value is now $235, while the net current assets per share are $44. The arrears on the preferred stock, however, amount to 36¾ per cent. With an improvement in the Canadian woollen industry in general, Canadian Woollens should prove one of the most satisfactory earners of the companies engaged in the textile industry. But no real betterment can be anticipated unless more protection is afforded the company.

To the report that recent earnings of Canadian Woollens had been such as to indicate a resumption of preferred dividend payments, has been laid the reason for the recent upward movement of the company's shares on the stock market. As far as can be ascertained, however, there is no possibility of the company liquidating its arrears at the present time.

Redemption of Preferred

Without the consent of two-thirds of the preferred stock outstanding, the company may not issue any mortgages, bonds or debentures having a priority over preferred stocks. The preferred stock has preference for assets and dividends and is subject to redemption as a whole on July 1, 1941, at par, or as a whole or in part at any time after July 1, 1922, at $110 and accrued dividends. A sinking fund is provided commencing July 1, 1921, consisting of 2 per cent. per annum on all preferred stock outstanding to be applied to the redemption of the preferred stock either by purchase in the open market at the market price, or by call by lot at redemption price if not so purchasable.

The preferred stock has no voting power except in the event of default for two years in the payment of preferred dividends, in which event it assumes full voting power. Any real betterment in the position of the company depends on the woollen industry receiving more protection.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$1,750,000	$1,570,400
Common stock	1,750,000	1,750,000

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. per annum payable 1st January, April, July and October. Passed for quarter beginning July 1, 1922, and since. Common, 1¼ per cent. paid on 1st October, 1920, and 1st January, 1921, but none since.

Officers and Directors—
A. O. Dawson, pres.; W. K. George, 1st vice-pres. and chairman; F. B. Hayes, 2nd vice-pres.; I. Bonner, G. D. Perry, C. M. Heddle, Wm. Hanson, Wm. Tinker, sec-treas., E. M. Miller, asst.-treas.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING JUNE 30

	1927	1926	1925
Net Earnings	$162,342	$121,837	$ 75,172
Invest. income	850	1,206	1,955
Total	163,193	123,043	77,127
Less:			
Res. for depr.	77,125	23,113	46,090
Bank interest	17,292	13,284	17,382
Net profits	68,775	86,646	13,655
Loss: C. assets	......	63,914	......
Loss on machy.	19,795	......	......
	48,980	22,732	13,655
Less Appropriations:			
Sink. fund res.	43,980	22,732	4,459
Res. for bad debts	5,000	......	9,196
	48,980	22,732	13,655

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1920	$615,089	$122,500	$300,727
1921	292,275	166,250	26,529
1922	204,649	122,500	22,228
1923	93,853	......	......
1924	134,306	......	......
1925	77,127	......	......
1926	123,048	......	......
1927	163,192	......	......

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	15	5½	8	4	19	5
Pref.	61	40	60¼	45	89	59¾

* To Dec. 16.

Paton is Oldest Woollen Industry

The Paton Manufacturing Company is the largest and oldest woollen manufacturing enterprise in Canada. It was established some 60 years ago and operates a woollen mill, a worsted mill and complete carbonizing, dyeing and finishing plant at Sherbrooke, P.Q.

This company was acquired by interests closely associated with the Dominion Textile Company in 1923. Its securities are closely held. They are listed on the Montreal Curb market but as only a small amount of the stock is in the hands of the public, there is very little trading done in the company's securities.

The Paton Manufacturing Company enjoys the unique distinction of being almost the only company in the Canadian textile industry which has been able to show profits during the trying conditions the textile companies have experienced in the last three or four years.

Harding Carpets

Announcement Expected Soon Regarding Public Investment Offered Public

Announcement is expected soon regarding a public investment offering of Harding Carpets, Ltd., of Brantford, Ont. There will be 7,500 shares of preferred of 100 par value authorized and 20,000 shares of common of no par value.

C. V. Harding, the head of the new company, for many years was associated with Toronto Carpet Co., latterly as a director and assistant general manager.

It is expected that some measure of success will attend the Brantford effort, in view of the long experience of its promoter and the fact that companies in the carpet and rug business generally have been able to operate at a profit. This company will be the only manufacturer of seamless carpets and rugs in Canada, it is said.

Only Marginal Profits Are to be Anticipated from Textile Industry

Although During 1927 Certain Shares Have Appreciated, This is Attributable Mostly to General All-Round Rise in Stock Market Shares

The Canadian textile companies are subjected to more frequent attacks than any other protected Canada's cloth requirements and this industry in the Dominion. In such attacks, the stock market record of the companies is mentioned as evidence indicating that the companies are making huge profits out of the Canadian public.

The year 1927 is a case in point and during the past twelve months the shares of the textile companies, broadly speaking, have appreciated. But the reason for this appreciation lies not in additional profits which have been made out of the public by tariff protection, but in the fact that there has been an all-round appreciation in stock market prices. With this appreciation the shares of the textile companies have tended to keep pace. Yields have been declining and it is but natural that securities of such sound companies as Dominion Textiles, Wabasso, Montreal Cottons and Canadian Cottons should reflect the decline in yields from investments.

Competition Remains Keen

Moreover, while the cotton branch of the textile industry this year has undoubtedly increased its sales, yet competition has remained as keen as ever and it is to be doubted whether the annual reports of the companies will show more than a marginal increase in profits.

That the protection afforded the textile companies has been anything but adequate may be judged from several facts. The first is that woollen weaving companies have not made satisfactory profits for years. These companies, of course, suffer from very inadequate protection and while there has been an appreciation in the shares of Canadian Woollens since the beginning of the year, yet such appreciation is due merely to profits of the company sufficient to allow the management to even consider for a moment payment of arrears of dividends on the preferred stock. True, it is thought that position of this woollen company and some of the other woollen companies has undergone a betterment, but such betterment has not resulted in producing earnings which would represent anything like a fair return on the capital invested.

Any study of the Canadian woollen industry reveals that for years past some of the mills have been operating without return on the invested capital. Moreover, the tariff situation under which the industry operates has forced many mills to close down with the resulting curtailment in the domestic demand for raw wool grown by Canadian farmers.

The woollen knit goods industry is in a better position than the worsted industry as some of the companies in this group have been able to keep going and in some instances make some fractional progress. But in the knit goods industry, as in the cotton textile industry, it will be an eye-opener to those who feel that the industry has had any undue protection simply to compare the earnings of the cotton and knit goods manufacturers over the past two years with the tremendous increase in profits of other Canadian industries.

From 1925 up to the present time, practically every industry in Canada has experienced a tremendous growth both in their gross and net profits. Compare the increased earnings over the last year or two of such companies as Dominion Bridge, Ontario Steel Products, Canada Steamship Lines, or any of the power companies, with those experienced by the textile industry. The Dominion Textile Company has long been recognized as the leader in the industry It is the one company which should benefit from industrial expansion, yet its 1927 earnings were only fractionally over those of 1921. Last year, Belding-Corticelli earnings, both gross and net, declined from the 1924 figures and declined very materially indeed from the 1925 figures.

Montreal Cottons earnings also showed a decline last year. Monarch Knitting sales were below the 1924 figures. And these are the leading companies in the industry.

Not Over-protected

If the textile companies were receiving the too adequate protection claimed by their opponents, it is obvious that these companies would have shared materially in the increased general prosperity which prevailed throughout Canada over the past few years. That they have not shared in this prosperity proportionately, and indeed to practically any degree, indicates that here is an industry which can hardly be said to be over-protected.

The preferred shares of Canadian Connecticut Cottons have appreciated from 35 at the beginning of the year to around 65, but this is due to general market appreciation and rumors, for here is a company that is most certainly passing through the thinnest of thin times. Dominion Textile common shares have gone from about 103 at the beginning of the year to a present price of around 130. This is a substantial appreciation, but it cannot be said to be out of line with the general buoyancy in the stock market. Montreal Cotton shares have only appreciated six points in 1927, despite the buoyant market.

These figures indicate that the textile companies have not participated to anything like a proportionate extent in the prosperity which has prevailed throughout the Dominion in the past year or two.

It is to be admitted that certain sections of the industry such as the four largest cotton weaving companies and one or two of the knit goods companies are in a strong financial position, but this is due to their conservative management over a long term of years. Thus, to-day, there are two groups of the shares of these companies traded on the market. There are the shares of the strong companies such as Wabasso or Canadian Cottons which are sound investment issues, but on which it is probable that earnings will not increase in proportion to the general betterment in business conditions in this country. This is due to the fact that the present tariff allows a large volume of imports to compete with Canadian producers. The shares of companies such as Penman's or Montreal Cottons are in a strong investment position because there has been capable management over a long term of years and the companies are in a sound financial position. All these leading companies are operated efficiently.

Effect of Merger

It is true that over a term of years the Dominion Textile Company has made satisfactory profits, but the company came into being as a merger of several components, none of which at that time, was making profits to which it was entitled. The company is entitled to what profits it has made through economies put into effect by the merger.

While outstanding cotton companies are making moderate profits, yet in the woollen industry, the situation is entirely different for even the long and well-established companies which have made profits in by-gone years, to-day are obtaining anything but a profit on the actual money invested in such enterprises.

Southerner's Idea of Uses of Cotton

Canadian Textile men who have followed the fluctuations of the cotton market from day to day and are fully sensible of its unexpected variations, will appreciate the following letter on cotton recently received by a Canadian company from its southern representative in the cotton belt.

"Cotton is the overcoat of a seed that is planted and grown in the Southern States to keep the producer broke and the buyer crazy. The fibre varies in color and weight, and the man who can guess nearest the length of the fibre is called a cotton man by the public, a fool by the farmer, and a poor business man by his creditors. The price of cotton is fixed in New York, and goes up when you have sold, and down when you have bought. Cotton is planted in the spring, mortgaged in the summer, and left in the field in the winter.

Trent Valley Textiles is Promotion of A. E. Rea

Trent Valley Textiles is a promotion of A. E. Rea, the erstwhile promoter and president of Dominion Combing Mills. Trent Valley Textiles also is located at Trenton. The plant is closed down. Evidently the outlook for the company and the shareholders is not favorable.

The REGENT KNITTING MILLS LTD.

HEAD OFFICE MONTREAL, QUE.

REGENT KNITTING MILLS, LIMITED

Manufacturers of

Sweaters

Jerseys

Bathing Suits

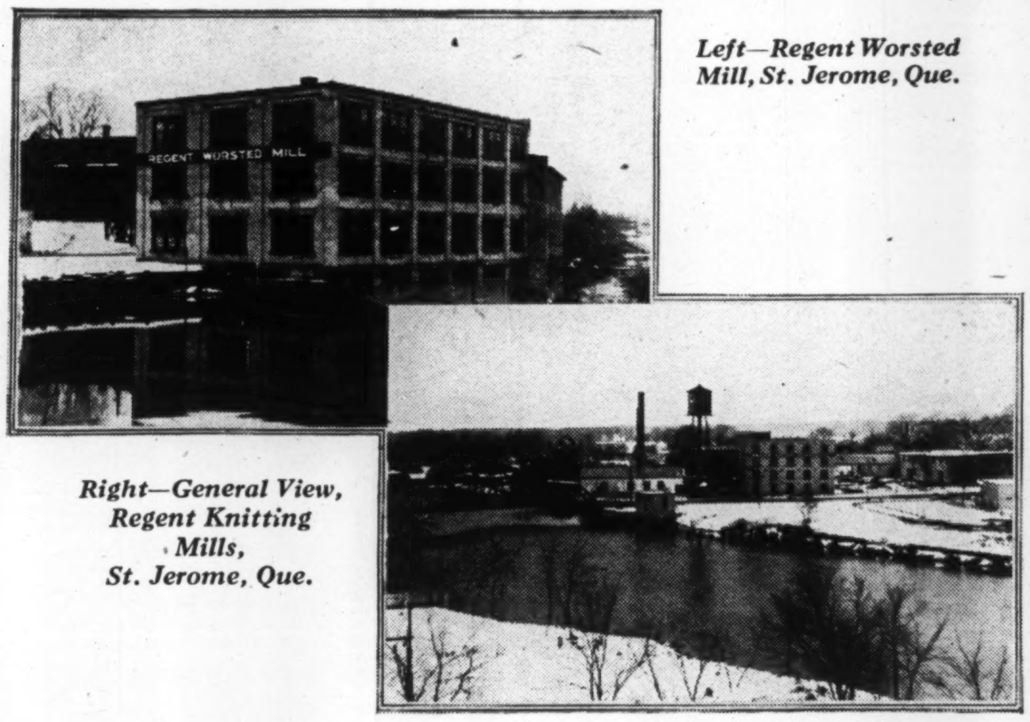
Hosiery

Manufacturers of

Jersey Cloth

Worsted Yarn

Twisting Yarns



Left—Regent Worsted Mill, St. Jerome, Que.

Right—General View, Regent Knitting Mills, St. Jerome, Que.

Mills Located at

St. Jerome and Montreal

REGENT KNITTING MILLS, LIMITED

Canadian Connecticut is in Healthy Position in Spite of Low Prices

Control of Stock Sought by Two Leading Textile Companies, is Rumor — Company Handicapped by Insufficient Protection Afforded Canadian Manufacturers

Canadian Connecticut Cotton Mills has been operating at capacity during the past year, and the poundage which was materially increased in 1926 has been maintained by the mills which have been operating day and night. Although prices have been low, the company which is wholly engaged in the manufacturing of cotton tire fabrics has maintained itself in a strong liquid position. Rumors to the effect that a leading Canadian textile company and an important American textile company were competing for control of the stock of Canadian Connecticut has attracted attention to the company from the investing public and its shares have recently attained new high levels.. Those closely connected with the company have expressed their ignorance of any such negotiations, but the rumors still persist that a change in ownership may be looked for.

The plant of Canadian Connecticut Cotton Mills is situated at Sherbrooke, Quebec, and was built in 1913 to supply Canadian tire manufacturers with fabric which had previously been manufactured exclusively in the United States. The company expanded during the boom period, and built a large new plant, adjoining the old one. In the period of depression that followed the tire industry was hard hit and this reacted on Canadian Connecticut. For several years past, keen competition and over-expansion combined, have kept the company's earnings down to a very low level. Although the company has not been able to earn its dividends, thanks to a strong surplus account built up in boom days, it has been able to provide not only for preferred dividends, but also to take care of its reserve for depreciation. Better days may now be in store, but the operations of the company are handicapped by reason of the insufficient protection afforded the Canadian manufacturers of tire fabrics.

Capitalization—

	Authorized	Outstanding
Common "A"	..$1,000,000	$1,000,000
Common "B"	500,000	500,000
Shares $10 each.		
Pref. 8% cum.	5,000,000	3,000,000
(Class "B" com. stock has no voting power.)		

Funded Debt—
None.

Dividend Record—
Dividend on pref. paid regularly from Apr., 1920, to Apr., 1921; were resumed Feb., 1923, when 2 per cent. was paid; Apr., 1923, 2 per cent. and 2 per cent. quarterly thereafter to Jan., 1925; reduced to 4 per cent. per annum, Apr. 1, 1925, payable 1 per cent, quarterly, Jan., Apr., July and Oct. 1.
17 per cent. in arrears on accumulated dividends as at Oct. 1, 1926.
Initial dividend of 10 per cent. paid on both class "A" and "B" stocks Aug., 1920; none since.

Officers and Directors—
S. R. Fuller, Jr., chairman of board and gen. mgr.; H. L. Burrage, pres.; R. J. Caldwell, H. S. Davis, R. W. Elliott, E. W. Ewing, W. R. G. Holt, R. S. Jarvis, I. W. Killam, J. Lowe, W. J. K. Vanston, T. Wood, E. W. L. Page, sec.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING

	Sept. 11 1926	Sept. 12 1925	Sept. 13 1924
Gr. earn., sales	$231,546	$295,998	$106,557
Other income	59,603	68,342	84,804
	291,149	364,340	191,361
Less oper. exp.	229,270	197,814	167,008
Net earnings	61,879	166,526	24,353
Less: Deprec.	172,664	175,593	173,861
Inv. adjust.	......	......	32,615
Mach. exp.	36,387	......	......
	209,051	175,593	206,476
Net profits	x147,172	9,067	x182,123
Less Appropriations—			
Pref. dividends	120,000	150,000	300,000
Adj. to surp.	100,949	76,016	......
	220,949	226,016	300,000
Surp. for year	x368,121	x235,083	x482,123
Add prev. surp.	547,402	782,486	1,262,668
Adjust. items	......	......	1,941
Bal. car. for.	179,281	547,403	782,486

x Deficit.

Five Years' Earnings

Year	Earnings	Dividends	Surplus
1922	$1,673,185	......	$1,000,382
1923	770,691	240,000	1,262,668
1924	191,361	300,000	782,486
1925	364,340	150,000	547,403
1926	291,149	120,000	179,281

Market Record—

	1925 H	1925 L	1926 H	1926 L	*1927 H	*1927 L
C. "A"	1⅞	1⅞	..	..	..	..
Pref.	51⅛	39	49	35	69	36

* To Dec. 16.

Slight Drop in Earnings is Reported by Tooke

It is understood that over recent months, sales of Tooke Brothers, have increased slightly. The company is the largest manufacturer of haberdashery in Canada. The firm was established 55 years ago and has through a steady programme of expansion, secured a dominant position in the trade. The output includes men's shirts, collars, neckwear, hosiery and underwear. Through subsidiaries, the company manufactures shirts, handkerchiefs, pyjamas and paper boxes. These companies, which are controlled through ownership of all the outstanding stock, are the Alliance Manufacturing Company, the Canadian Handkerchief Company and the United Paper Box Company.

Tooke Brothers was originally established in 1870 in Montreal. In addition to its plant in this city, it maintains branches, warehouses and salesrooms throughout the Dominion.

No preferred dividends were paid by Tooke Brothers from the end of 1921 to the close of its year on June 30, 1926, although earnings during that period were on the upgrade. At a special meeting held in February, 1927, shareholders ratified a change in the capital structure of the company whereby no par value common shares were distributed to preferred shareholders in lieu of dividend arrears, in the proportion of one share of no par value common stock for every two shares of preferred. Arrears then totalled 35 per cent. The existing shares of common stock of $100 par value were cancelled and replaced by the creation of common shares of no par value. Shareholders of the old common stock received two shares of no par value common for every five common shares of $100 par value. The first quarterly dividend of 1¾ per cent. for the 7 per cent. cumulative preferred shares was declared payable April 15th, 1927, to shareholders of record of March 31st. The annual report of the company for the fiscal year ending June 30, 1927, revealed that operations for the year resulted in a slight drop in earnings. Gross profits were down from $116,777 to $112,345, and net from $70,677 to $69,794. The outlook for the future does not look particularly promising.

Capitalization—

	Authorized	Outstanding
Common	10,000 shs.	7,525 shs.
No par value.		
Preferred	1,250,000	$ 985,000
7 per cent. cumulative. Shares $100 each.		

Funded Debt—
First mortgage, 7 per cent. bonds, due 1942 .... $310,900

Dividend Record—
On old preferred dividends were regularly paid, March up to June, 1914; none thereafter until July, 1915, when 1¾ per cent. was paid; again deferred until July, 1916, when 3½ per cent. was paid; Oct., 1916, 1¾ per cent.; Dec., 1916, 1¾ per cent. and 1¾ per cent. on account of accumulated dividends; March, 1917, 1¾ per cent.; June, 1917, to Dec., 1921, inclusive, 1¾ per cent. each quarter; none since. In addition, 1¾ per cent. each on account of accumulated dividends was paid in July, 1917, and July, 1918, and 3½ per cent. in July, 1919.
On new preference initial dividend of 1¾ per cent. paid April, 1927; no dividends on common.

Officers and Directors—
W. A. Tooke, pres.; Col. C. W. MacLean, vice-pres.; J. B. Kirby, acting sec.-treas.; N. A. Galt, W. G. Hanson, W. M. Weir, W. K. Trower.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING

	June 30 1927	June 30 1926	June 30 1925x
Gross earnings	$112,345	$116,777	$100,824
Less: Deprec.	16,876	16,297	18,786
Bond interest	20,761	22,298	25,045
Tax & bond int.	4,914	7,505	7,048
Net profits	69,794	70,677	49,945
Less Appropriations—			
Pref. divs.	34,475	......	......
Surp. for year	35,319	70,677	49,945
Add prev. surp.	290,056	219,379	169,434
Bal. car. for.	325,375	290,056	219,379

x for 13 months.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$135,757	$ 86,188	$149,379
1919	152,310	86,188	200,501
1920	238,230	103,425	320,306
1921	93,524	68,950	344,881
1922	*58,681	34,475	102,572
1923	61,910	......	124,821
1924	92,117	......	169,434
1925	100,824	......	219,380
1926	116,777	......	290,056
1927	112,345	34,475	325,375

* Loss.

Market Record—

	1925 H	1925 L	1926 H	1926 L	x1927 H	x1927 L
Com.	8	8	8	8	16	5
Pref.	62⅛	37	84½	55	72½	65

x To Dec. 16.

Low Prices Handicap Belding-Corticelli

Volume of Business is Slightly Larger Than Last Year — It is Anticipated That Earnings Will Equal Those of 1926

The volume of business done by Belding-Corticelli, Ltd., in 1927 has been slightly larger than that of the preceding year, but as prices were somewhat lower, it is anticipated that the earnings will be about equal to those of 1926. The company's fiscal year closed on November 30, and the annual report will go forward to the shareholders in about five weeks' time.

The manufacture of full-fashioned hosiery was initiated by the company during the past year. The machines began operating early in 1927 and a very prosperous year has been experienced in this department.

The output has been sold up and sold ahead ever since the new department went into operation. Some twenty-five machines have been kept in operation turning out 6,000 dozen pairs of silk hose a month. In view of the very satisfactory results obtained further expansion of this section of the plant is anticipated.

Over 1,000 Employees

Belding-Corticelli's chief business consists of the manufacture of silk and silk threads for further manufacture. Its output includes yarns, thread and ribbon of silk and rayon, also braids, tapes and laces made from cotton. It has mills in operation in Montreal, St. Johns and Coaticook, Que. Its employees number over a thousand. The company maintains branches at Montreal, Toronto, Winnipeg and Vancouver.

Silk manufacturers have not had a very prosperous year either in the United States or Canada. This has been due to the fact that they have been manufacturing in the face of a falling market in so far as raw silk is concerned.

The price of raw silk has fluctuated constantly during the year, but for the most part has shown a strong tendency towards lower price levels. Belding-Corticelli has, therefore, faced the same conditions as the other silk manufacturers. Its output has increased, but the prices obtained for its products have been lower than in 1926. It is believed that the raw silk market has now reached the bottom, and earnings in this department are expected to show an improvement during the coming year.

So far as domestic sales are concerned, the company reports a slight increase in volume over the previous year, but lower prices. Keen competition has been experienced from Switzerland in the ribbon trade. The increasing use of rayon has had a tendency to make this competition even keener than it has been in the past.

Belding-Corticelli is enjoying a growing export business, which has shown a considerable increase during the past year. This trade extends to the West Indies, New Zealand and South Africa.

Strong Liquid Position

The company is in a strong liquid position and is noted for its sound and conservative management. The balance sheet shows a large goodwill account, but this has been reduced from time to time.

There is not a wide market for the shares which change hands on the Montreal Curb Market. This, coupled with the fact that most of the shares are closely held, allows the stock to change hands at a figure which makes it a satisfactory long hold purchase for a business man.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum.	$1,650,000	$865,300
Common stock	850,000	749,500

Funded Debt—
First mortgage sinking fund 5 per cent. bonds due May 1, 1936; interest payable 1st May and November in Montreal and London $367,341

Dividend Record—
Preferred 7 per cent. payable 15th March, June, September and December; last of deferred dividends paid up on June 15, 1920, and regular dividends of 7 per cent. paid since then.
Common—4 per cent. each paid in 1924 and 1925; 6 per cent. in 1926 and 1927.

Officers and Directors—
A. O. Dawson, pres.; Wm. McMaster, vice-pres.; C. A. Reynolds, general manager; J. M. Mackie, Wm. Hanson, W. P. MacDougall, sec. and asst. gen. mgr.; J. P. Kennedy, treas.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING NOVEMBER 30

	1926	1925	1924
Net earnings	$248,930	$345,853	$254,771
Less: Deprec.	67,004	66,707	62,408
Bond interest	36,980	36,980	36,980
Sinking fund	14,791	14,791	14,791
Empl. insur.	11,469	11,784	10,000
Net profits	118,686	215,592	130,593
Less Appropriations—			
Pref. divs.	60,571	60,571	60,571
Com. divs.	44,970	35,475	29,980
Surp. for year	13,145	117,545	40,041
Add prev. surp.	358,065	361,899	514,077
Add res. adjust.	......	78,643	56,109
Less writ. off goodwill	......	200,002	248,328
Bal. car. for.	371,210	358,065	361,898

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$232,999	$120,458	$249,474
1918	278,732	121,142	287,812
1919	429,269	121,142	338,165
1920	262,152	90,856	363,565
1921	212,943	60,571	399,409
1922	250,478	60,571	449,786
1923	279,801	75,561	514,077
1924	254,771	90,551	361,898
1925	345,853	98,046	358,065
1926	248,930	105,541	371,210

Market Record—

	*1927 H	*1927 L
Common	88	67
Preferred	100	96½

* To Dec. 16.

Goodyear Cotton

Investment in This Concern Should Continue to be Satisfactory

Goodyear Cotton Co. at Ste. Hyacinthe, Que., is a subsidiary of Goodyear Tire & Rubber Co. of Canada. The report recently published shows that the factory operated 22 hours per day, on the average, in the last year. The output was purchased by the parent company and went into the manufacture of tires. The investment interest in this company is limited to the bond issue.

With an assured market, and with control resting with a company in a strong financial position, it is reasonable to believe that the investment in the securities of Goodyear Cotton Co. will continue to be satisfactory.

Capitalization—

	Authorized	Outstanding
Common	5,250 shs.	5,250 shs.
No par value.		
Preferred	$475,000	$475,000
7 per cent. cumulative, par $100.		

Funded Debt—
First mortgage, 6 per cent. due 1941 .... $300,000

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—
C. H. Carlisle, pres.; E. H. Koken, vice-pres.; J. G. Lane, treas.; R. C. Berkinshaw, sec.; C. B. McNaught, L. V. Sicotte, asst. treas., J. P. Goudreault, supt.

Profit and Loss—	Year end Sept. 30 1927	From Apr. 1 to Sept. 30 1926
Profits	$140,299	$ 49,658
Pref. divs.	33,250	16,625
Surplus	107,049	33,033
Prev. surp.	33,033	......
Total surplus	140,082	33,033

Brantford Cordage

Company is Handicapped by Dutch Competition—Fair Market Price Wanted

Brantford Cordage Co. in the last year did the largest business in its history, in point of volume, but this business was done without a profit. Dutch and other European manufacturers of binder twine have been flooding the Canadian market with twine under cost. Low wages prevailing in the countries of origin have been the reason for this condition. Canadian binder twine manufacturers are not protected by a tariff.

The domestic manufacturers do not ask for a tariff, but they are asking the government to fix a fair market value for binder twine to impose an anti-dumping duty when the goods are imported at prices under the prices at which they can be manufactured in Canada.

Because binder twine is used by farmers and because the Western Farmers generally are advocates of free trade, it is doubtful if the government will come to the rescue of the domestic manufacturers, although it is obvious that some measure of protection should be afforded, for the benefit of Canadian workers if for no others, provided that the Canadian manufacturers are able to demonstrate that they can manufacture at as low a price as is consistent with living wages. It is believed that the Canadian plants are as efficient as any in the world, and much money has been spent in the last year to make that of Brantford Cordage the peer or superior of the best of the others.

It is believed that the Dutch manufacturers have been operating at a loss, so far as their Canadian exports are concerned, despite the low scale of wages paid workers in Holland. How long they will be willing to sell in the Canadian market depends on their resources and on whether or not they are of the opinion that they can drive the domestic manufacturers out of business in this country. The elimination of Canadian competition in Canada would, of course, result in higher prices for binder twine.

The next dividend on the preferred stock of Brantford Cordage has been declared but it is intimated that further dividends may have to be deferred.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	80,000 shs.
(No par value)		
1st preferred	$2,500,000	$1,945,350
2nd preferred	850,000	850,000
(Shares $25 each)		

Funded Debt—
None.

Dividend Record—
1st preferred 8 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 15. First dividend of 2 per cent. paid July, 1925.
On 2nd preferred and common none paid.

Officers and Directors—
C. L. Messecar, pres. and gen. mgr.; W. M. Messecar, T. Neilson and W. C. Wells, vice-pres.; B. E. James, A. E. Ames, Glyn Osler, K.C.

INCOME ACCOUNT, YEARS ENDING AUGUST 31

	1927	1926	1925
Net profits (after deprec. and taxes)	x$147,993	$315,128	$627,190
Less sundry exp. ..	1,750	350	......
Disc. on shares ...	4,174	....	......
	$145,569	$314,778	$627,190
Less appropriations—			
First pref. divd.	154,628	159,005	40,000
Res. for bad debts	224	4,437	......
Sinking fund exp.	......	1,420	......
Surplus for year	†$300,421	$149,915	$587,190
Previous surplus	928,930	779,015	191,825
Bal. carried forward	$628,509	$928,930	$779,015

xLoss. †Deficit.

Market Record—

	1925 H	1925 L	1926 H	1926 L	x1927 H	x1927 L
1st preferred	28	25	27½	23	25	15¾

xTo Dec. 16.

Great Strides Made by Bruck Silk Mills in Successful Year

Public Interest Centres in 1925 Bond Issue of 6½%

EXTENSION OF PLANT

Net Earnings for Ten Months of Present Year Exceed Whole of 1926

The past year has been a most successful one for the Bruck Silk Mills. The company's plant has been operating continuously day and night in order to complete orders which have taxed the plant's capacity to the utmost. There has been naturally a considerable increase in output and sales, which will be reflected in earnings. Although the company experienced a satisfactory year in 1926 when earnings were equal to more than twice the bond interest requirements, this showing was equalled by the net for the first 10 months of the present year. Sales for November and December should therefore bring the earnings of the current year up to a total considerably in excess of 1926.

The Bruck Silk Mills was first incorporated in December, 1921. Its plant is located at Cowansville, Que., and is housed in 10 buildings covering some 16 acres of land. The mills which are thoroughly modern in every respect manufacture pure silk and artificial silk which is woven into silk dress goods, including canton crepe, crepe de chine, silk and wool crepe, satin Canton, satin crepe, flat crepe, fancy novelties, silk yarns and silk prints. It is the largest company in the Dominion weaving, trading and dyeing silks.

Steady Growth of Business

The company spent $300,000 in extending its plant in 1926 to increase its output through the manufacture of what are known as "loaded silks," but the demand for the company's products has been such that further additions are contemplated to meet the steady growth of business.

It is the only mill in Canada that completes the process of manufacture from skein silk to the finished article under the one roof. In fact, it is almost unique in this respect, as it is stated there is only one other mill in the world where this is done. The majority of silk manufacturers weave the grey silk and then turn goods over to other companies for dyeing. This was formerly the practice of Bruck Silks, but the company now has its own dye-house and is doing an increasing dyeing and finishing custom business in silks. It is not only dyeing, finishing and weaving for importers, but also for Canadian silk manufacturers. Previous to the company establishing its dye plant, all silks had to be colored in Europe. At the present time, the silk is imported in skeins, and drawn to the desired size of the thread, and twisted to give a heavier or lighter thread, according to the number of fibres required in the threads. The company experiences very little competition in the line of goods it manufactures.

Most of the competition comes from France and Switzerland, but is met by the company underselling the foreign manufacturers or placing superior cloth on the market for the same money. Most of the imported silk goods are brought in as grey goods, and are turned over to Bruck Silks for dyeing.

Export Trade

Although the bulk of the company's sales are made in the Dominion, it is building up an export trade as well, and its products are being sold in the West Indies, New Zealand, South Africa and Australia. Owing to the heavy demand of the domestic trade the export market is not being pushed to the extent it warrants.

Public interest in the company is centred in the issue of 6½ per cent., first mortgage bonds, issued in 1925.

At its inception, the Bruck Silk Mills manufactured only pure real silks. But competition from Japan became too keen in these lines and at the beginning of this year changes in the plant were concluded which allowed the company to produce "loaded" silk which does not experience the same keen competition from Japan. The results of the changes in production have been naturally reflected in profits this year.

Capitalization—

	Authorized	Outstanding
Common	25,000 shs.	25,000 shs.
(No par value)		

Funded Debt—
First mortgage 6½% bonds due 1945 .... $1,000,000 $350,000

Dividend Record—
No dividends paid in stock.

Officers and Directors—
I. I. Bruck, president; J. Shevell, S. Bruck, sec.-treas.; M. L. Williams, F. G. Bush.

IDEAL BOX & PAPER SPECIALTIES LTD.
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Manufacturers of all grades of set-up boxes —
TEXTILE INDUSTRIES
Requirements a Specialty

CANADIAN-CONNECTICUT COTTON MILLS, LIMITED
Sherbrooke, P. Q., Canada

Pioneer Manufacturers of Cord and Square Woven Tire Fabrics in the Dominion of Canada

Woods Manufacturing Shows Slight Increase Compared With 1926

Company Experiences Satisfactory Year of Business—Regular Preferred 7½ Per Cent. Dividend is Paid Out of Surplus

The Woods Manufacturing Company has experienced a satisfactory year of business and will show a slight increase in both gross and net profits for 1927 as compared with 1926. The company has a varied output. It manufactures cotton textiles in its cotton factory at Welland, Ontario. About 25 per cent. of the total business comes from this plant. Its canvas factory at Hull, Quebec, turns out finished canvas goods, including tents, tarpaulins, flags, clothing and supplies and canvas of all kinds. This factory turns out about another 25 per cent. of the company's total business. The company has a subsidiary plant at Ogdensburg, N.Y., where it is engaged in the manufacture of sleeping bags.

Over half the business comes from the manufacturers of bags which are produced at factories at Winnipeg, Toronto and Montreal.

Increased Competition

The bags are manufactured from raw cotton and jute and are made for every purpose; for flour, cement, grain, sugar and salt. The company has experienced increased competition in this line. One source being from the kraft paper manufacturers who are making an active bid for the bag business in several different lines. The company's plant at Welland operates under the name of the Empire Cotton Mills and manufactures counter cloths, bag cloths and ordinary hose.

All the mills are of modern construction, having been built within the past 16 years. Of the five plants operated at Montreal, Hull, Welland, Toronto and Winnipeg, approximately one-half of the total revenue comes from the manufacture of bags and the remaining half is divided between the output of cotton and production of tents, tarpaulins, flags and similar commodities. The company is fortunate in that in the manufacture of cotton, 60 per cent. of its production is absorbed by its own mills for further manufacture. A ready market is thus assured for its cotton production. The Woods Manufacturing Company enjoys the position of being the largest manufacturer of jute and cotton bags in Canada. The company should show a marked improvement in net earnings this year as compared to last, owing to the fact that in 1926 it was obliged to write off large sums due to the drop in the market value of cotton and jute.

Out of Surplus

Although the company failed to earn its regular 7 per cent. preferred dividend last year, this was paid out of surplus. The preferred dividend has been steadily maintained, but no dividends are being paid on the common shares. Dividends on the common were initiated in 1913, and were maintained until the close of 1923, with the exception of the years 1915 and 1916. Before the dividends were passed, the rate was 8 per cent.; in one year as high as 12½ per cent. was paid to the shareholders.

Capitalization—

	Authorized	Outstanding
Common	$2,492,000	$1,710,600

Funded Debt—

First mortgage, 6 per cent. bonds, due 1943	$2,000,000	$874,000

Dividend Record—

Initial dividend on preferred was paid in April, 1913, and paid at that rate regularly up to and including July, 1914; none thereafter until Jan., 1916, when quarterly dividends were resumed and maintained regularly since; 1¾ per cent. on account of arrears paid Oct., 1916, and 7 per cent. Jan., 1917.

Initial dividend on common 1¼ per cent. paid in April. 1913, which rate paid to July, 1914; none thereafter until June, 1917, when 1¼ per cent. was paid; 1¼ per cent. Sept., 1917; Dec., 1917, 4½ per cent.; Mar., 1918, to June, 1920, at rate of 7 per cent. per annum; Sept., 1920, to Sept., 1923, 2 per cent. each quarter; none since. Extra dividends of 5 per cent. each were paid on com. Dec., 1918, Dec., 1919, and Dec., 1920.

Officers and Directors—

Lt.-Col. J. W. Wood, pres.; W. G. McMahon, vice-pres. J. T. F. Keene, sec.-treas.; T. Mitchell, gen. mgr.; Ernest Linton, Glyn Osler, K.C., J. W. Pyke, G. S. Browne.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926	1925	1924
Net earnings	x$28,486	$310,647	$264,579
Less: Bond int.	58,507	60,552	62,831
Depreciation	33,314	64,195	63,870
Net profits	*63,335	185,900	137,878
Less Approp. for— Pref divs.	106,981	106,981	107,300
Surp. for year	*170,316	78,919	30,578
Add prev. surp.	176,470	97,551	66,973
Tr. fr. R. acct.	200,000	......	......
Bal. car. for.	206,153	176,470	97,551

* Loss. x After writing off losses from depreciation in market values of cotton and jute.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$770,816	$228,431	$1,003,539
1918	842,200	314,476	1,291,439
1919	630,813	314,487	1,385,614
1920	*412,324	323,080	515,848
1921	160,912	245,743	341,123
1922	400,552	245,743	409,176
1923	12,128	211,371	66,973
1924	264,579	107,299	97,551
1925	310,647	106,981	176,470
1926	28,486	106,981	206,153

* Loss.

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	49	27	48	38	46	39
Pref.	80	64⅞	90	77¾	89	75

* To Dec. 16.

Toronto Carpet

Investment Interest is Limited to Small Issue of Bonds

Toronto Carpet Co. is one of the most successful of Canadian industrial companies. The investment interest, so far as the public is concerned, is limited to a small issue of bonds.

Toronto Carpet Co. is a manufacturing company which, through subsidiaries, is in the cloth-weaving business, (as well as the carpet and rug business) in Canada and the United States. The United States subsidiaries have been successful in their short career. It was in 1921 that the company, because of approaching competition from Europe, decided to operate in the United States equipment which had been purchased for their Canadian factories. The activity of the American plants, operating behind the Fordney-McCumber tariff, and the inactivity of certain units of the Canadian plants, is proof of the acumen which prompted this step.

Canadian factories of the company at Toronto occupy 500,000 square feet of floor space and other large factories are at Campbellford, Ont.

Capitalization—

	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred	1,000,000	832,000

8 per cent. non-cumulative.

Funded Debt—

First mortgage, 6 per cent. bonds due 1944	$5,000,000	$ 907,000

Dividend Record—

Dividends on preferred paid regularly; on common also at rate of 8 per cent. per annum since incorporation in 1891. Payments on both classes quarterly, Jan., Apr., July and Oct. 1.

Officers and Directors—

F. B. Hayes, pres.; G. D. Perry, vice-pres.; B. B. Hayes, vice-pres. and gen. mgr.; S. J. Cragg, sec. and treas.; G. H. Muntz, P. D. Hayes, R. Fennell.

Financial Position—

Total assets as at Sept. 30, 1927, were $5,068,000, and surplus $1,047,000.

BARRYMORE CLOTH

(Controlled by the Toronto Carpet Mfg.)

Capitalization—

	Authorized	Outstanding
Common	$600,000	$550,000
Pref. 8 per cent.	400,000	382,300

All issued common stock is owned by the Toronto Carpet Mfg.

Dividend Record—

Dividends on preferred have been regularly paid since incorporation in 1917.

Investment in Cosmos is Substantially Good as Business Increases

Cosmos Imperial Mills at Hamilton, Ont., and Yarmouth, N.S., is a company created by the consolidation of two concerns of long established success. The company manufactures all sorts of canvas and webbing and has a diversified business, but its substantial earnings are due primarily to the manufacture and sale of material used on paper-making machinery. As the paper-manufacturing industry is developing rapidly and the needs for the materials of Cosmos mills constant and recurring, the long-term outlook for the stock is excellent.

The preferred stock of this company is regarded favorably for investment in its class and the common stock is popular, especially in the Toronto market, for its long-hold possibilities. Earnings are expected to be in the neighborhood of $3.50 the share for the calendar year.

Earnings in the last six months of the current year will be less, probably, than in the first six months, for the reason that the paper-manufacturing business has been progressing less rapidly. This condition, however, may be viewed as temporary and in the course of years this common stock, issued originally as a bonus, may be among the good dividend-paying industrials.

Capitalization—

	Authorized	Outstanding
Common No par value.	50,000 shs.	50,000 shs.
Preferred Par $100.	$1,500,000	$1,500,000

Funded Debt—

First mortgage 6½ per cent. bonds due 1944	1,000,000	980,000
Preferred	2,481,800	1,528,300

7 per cent. cumulative. Shares $100 each.

Dividend Record—

Preferred 7 per cent. cumulative, payable Feb., May, Aug. and Nov. 15. Initial quarterly dividend of 1¾ per cent. paid Nov., 1926.

No dividends have been paid on common.

Officers and Directors—

S. H. Greene, pres., A. V. Young, vice- pres.; W. S. Burrill, vice-pres. and gen. mgr.; E. W. B. Moody, sec.-treas; J. J. McGill, J. E. Rousmaniere, G. A. Macpherson, G. H. Macpherson, G. H. Allen.

Profit and Loss—

Net profits, after deducting all manufacturing and general expenses, taxes and making provision for depreciation of plants and for interest on the first mortgage bonds as if they had been outstanding throughout the entire period, were as follows:

Year ending Dec. 31.			
1916	$127,093	1921	$116,547
1917	235,348	1922	142,575
1918	435,340	1923	289,171
1919	215,954	1924	132,226
1920	444,740	1925	291,428
....	......	1926	274,158

INCOME AND SURPLUS ACCOUNT, SIX MONTHS ENDED DEC. 31

	*1926
Profits	$ 113,968
Other income	4,908
Total	118,876
Less: Taxes	6,270
Net profits	112,606
Less: Pref. dividend	39,375
Surplus for year	73,231

Market Record—

	*1927	
	H	L
Common	31½	13
Preferred	103	91¼

* To Dec. 16.

Penman's is Considered Favorable Investment in Textile Industry

It is Anticipated That Company Will be Able to Maintain Satisfactory Margin Between Earnings and Dividend Payments

Penman's is one of the most interesting of the textile stocks, especially since the recent split of the common shares three for-one. In the last ten years, the company earned 208 per cent. on its common stock, of which it paid out only about 82 per cent., the balance going into reserve and contributing to betterments of plant and equipment. Even with the increased dividend rate now in effect, it is anticipated that the company will be able to maintain a satisfactory margin between earnings and dividend payments.

One of the highest grade industrial bonds is the 5½ per cent. issue of this company.

The company manufactures all kinds of woollen, cotton and knitted goods. Its seven plants, two of which are operated by wholly-owned subsidiaries, are at Waterford, Almonte, London, Paris, Ont., and at Coaticook and Ste. Hyacinthe, Que. The head office is Paris, Ont., and the corporate office is in Montreal.

It will be observed that the directorate includes some of the outstanding men in Canadian business.

Capitalization—

	Authorized	Outstanding
Common No par value.	75,000 shs.	64,518 shs.
Preferred Shares $100 each.	1,500,000	1,075,000

Funded Debt—

First mortgage bonds, 5½ per cent., due 1951	$2,000,000

Dividend Record—

Preferred, 6 per cent. cumulative, payable Feb., May, Aug. and Nov. 15, paid regularly since 1907.

Common—$4 per year, payable Feb., May, Aug. and Nov. 15. Initial dividend of $1 a share paid May 15, 1927. Dividends on old stock were at the rate of 8 per cent. per annum, plus a 2 per cent. bonus.

Officers and Directors—

Sir Charles B. Gordon, G.B.E., pres.; R. B. Morrice, vice-pres.; J. P. Black, H. B. MacDougall, V. E. Mitchell, K.C., D.C.L., Wm. McMaster, J. N. Laing, G. W. Grier, I. Bonner, H. Barrett, gen, mgr., C. B. Robinson, sec.-treas.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926	1925	1924
Net earnings	$ 695,537	$ 618,099	$ 570,079
Less bond int.	100,000	100,000	100,000
Depreciation	100,000	100,000	50,000
Bad debts wr. off	18,460	25,069	25,000
Res. for taxes	35,000	30,000	24,868
Mach. wr. off	......	......	18,839
Net profits	442,077	363,030	351,372
Less Appropriations—			
Pref. divs.	64,500	64,500	64,500
Com. divs.	215,060	215,060	215,060
Bd. disc. & exp.	112,659	......	......
Surp. for year	49,858	83,470	71,812
Add pr. surp.	1,384,737	1,301,267	1,229,455
Bal. car. for.	1,434,595	1,384,737	1,301,267

Ten Years' Earnings—

Year End. Dec. 31.	Earnings	Dividends	Surplus
1917	$1,671,105	$ 172,030	$ 807,867
1918	1,953,643	225,795	850,167
1919	2,178,141	209,665	1,004,269
1920	460,305	275,183	1,045,391
1921	223,885	279,560	880,881
1922	731,434	236,548	1,076,065
1923	751,002	279,560	1,229,454
1924	570,079	279,560	1,301,267
1925	618,099	279,560	1,384,737
1926	695,537	279,560	1,434,595

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	185	144	191	174½	108	70
Pref.	105½	99	104½	104¼	105	101

* To Dec. 16.

Dominion Combing

This is a Disappointing Investment—Plant Has Been Inoperative Recently

Dominion Combing Mills has been a disappointing investment. A recent reorganization eliminates the preferred stock and the election of a new directorate and the appointment of a new management is the result of the shareholders' move two months ago to improve matters.

The plant at Trenton, Ont., is equipped with thirteen cards and twelve combs on a ten-acre site. The productive capacity of wool yarns, tops and noils is said to be about 3,500,000 pounds annually. The plant has not been in operation recently.

Under the scheme of arrangement, preferred shareholders will get one new share of no-par common for each preferred share held and holders of common will exchange share for share. There will be a bond issue of $400,000.

Capitalization—

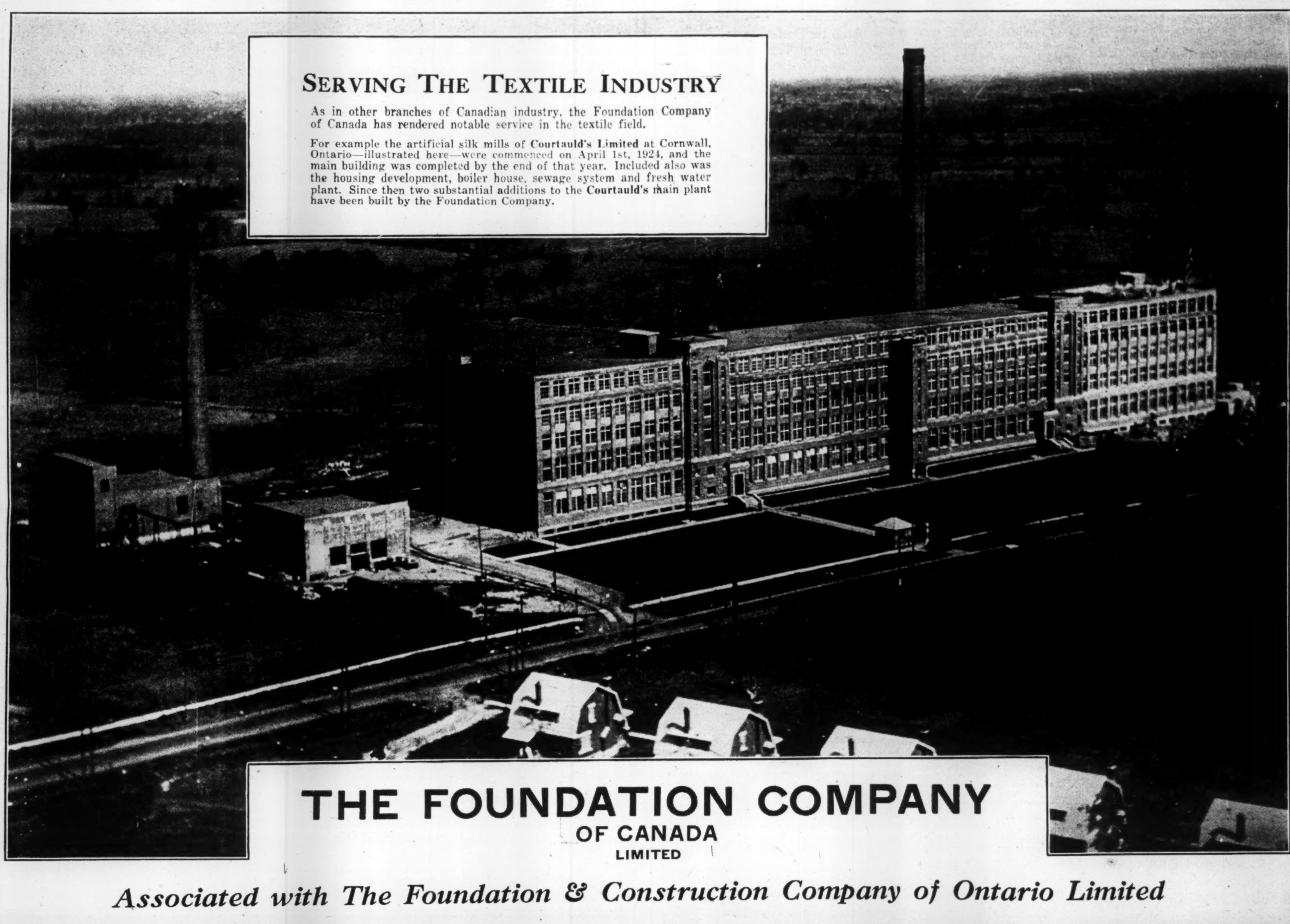
	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Pref. 8% cum.	1,000,000	1,000,000

Par of com. $50 and pref. $100.

On Oct. 31, 1927, the shareholders decided to apply for letters patent incorporating the company with 40,000 no par value shares. Four shares of the new stock will be issued for the old preferred and one share for each of common stock.

Officers and Directors—

S. W. Bridges, Boston, pres.; H. J. Smith, Trenton, vice-pres.; L. A. Garnett, sec.-treas.; Ernest Messier, Montreal, W. J. Green, Ottawa, F. M. Bohin, Toronto, C. A. E. D. Brown, Toronto, W. A. Fraser, Trenton.



SERVING THE TEXTILE INDUSTRY

As in other branches of Canadian industry, the Foundation Company of Canada has rendered notable service in the textile field.

For example the artificial silk mills of **Courtauld's Limited** at Cornwall, Ontario—illustrated here—were commenced on April 1st, 1924, and the main building was completed by the end of that year. Included also was the housing development, boiler house, sewage system and fresh water plant. Since then two substantial additions to the **Courtauld's** main plant have been built by the Foundation Company.

THE FOUNDATION COMPANY
OF CANADA
LIMITED

Associated with The Foundation & Construction Company of Ontario Limited

Attractive Appearance and Longer Life Sought by Women in Garments

Women, in Answering Questionnaire, State Why Many Have Shifted to Silk and Rayon

By EDNA L. CLARK

Bureau of Home Economics, U. S. Department of Agriculture, in Commerce and Finance

Only a short time ago women's undergarments, summer dresses, and stockings were practically all of cotton. To-day silk and rayon are prominent. How far have these materials been substituted for cotton in the different garments? What do the women themselves have to say in explanation of the change? To answer these questions a survey was made in the early summer of 1927 by the Bureau of Home Economics, U.S. Department of Agriculture, on the uses of cotton in clothing. The replies of 701 married women to questions of the kind of garments they wore five years ago as compared with to-day, and their reasons for changing, were obtained.

A comparison between the kind of material which the 701 women wore during the year ending in the spring of 1922 and that which they are wearing now was made.

Wear More Silk or Rayon

It is interesting to note the variation in percentage of women now wearing more silk or rayon in the different garments. Stockings rank highest, with the other articles of clothing following in the order named: summer dresses, slips, bloomers, winter dresses, chemises or teddies, undershirts, drawers, kimonos, blouses, petticoats, brassieres, nightgowns, housedresses, skirts, unionsuits, pyjamas, and bathrobes. The relatively low percentages of women reporting more silk or rayon for drawers, kimonos, blouses, petticoats, brassieres, nightgowns, housedresses, skirts, unionsuits, pyjamas, and bathrobes is indicative of the importance of other materials than silk or rayon for these garments, or of the fact that these garments are no longer worn.

Of course, in no case do the figures show that silk or rayon have completely replaced cotton in any garments for which the change is noted. They merely indicate that a certain percentage of the women included in the survey were wearing more silk garments of certain kinds now than they were five years ago. Some women may have worn silk summer dresses only on very special occasions during the past year, but five years ago, not have worn them at all; or, for some women a silk garment, such as a slip, may have replaced a cotton underskirt. But in both cases the result would be that more silk or rayon was worn now than five years ago.

Few Wear Nightgowns

The percentage of women reporting "never worn" indicates the popularity of the various articles of underwear and night garments. For example, the preference for nightgowns is clearly seen when 76 per cent. of the women reported that they did not wear pyjamas now or five years ago, while only 5 per cent. reported "never worn" for nightgowns. It is interesting to note that 33 per cent. of the women reported wearing petticoats five years ago, but not during the past year; 29 per cent. so reported for blouses; 29 per cent. for skirts; 6 per cent. for union suits; and 5 per cent. for chemises.

The proportion of women who changed from cotton to silk or rayon for the different articles of clothing varies with the different residence groups.

Farm Women Change Less

In general, the farm women made the least change in material, while the women living in towns of 25,000 and under 100,000 made the greatest change. If the residence groups are arranged in the order of farms; under 5,000; 5,000 and under 25,000; 25,000 and under 100,000; and 100,000 and over; and the percentages reporting "more silk and rayon" compared, we find that for the following list of garments the percentages increase from farm up to the 25,000-and-under-100,000 group, and then fall for the 100,000-and-over groups: summer dresses, skirts, slips, petticoats, chemises, brassieres, bloomers, drawers, undershirts, knit unionsuits, nightgowns, pyjamas, and kimonos.

The women who are wearing more silk or rayon now than five years ago were asked to give their reasons for choosing silk or rayon instead of cotton. Six hundred and sixty-three married women listed their reasons. The chief reasons for the change were "more attractive," "better feel," and "longer wear," and "launder better."

Why They Changed

The reasons given by the women for wearing silk or rayon for winter dresses confused in some cases changes from wool with changes from cotton. Inasmuch as wool was the material generally worn in the winter, such mistakes were not surprising. The reasons for choosing silk for winter dresses, therefore, include such replies as "lighter weight," "preferred because of warmer houses," and "easier to clean." Such answers indicate comparisons with wool rather than with cotton.

"Laundering" received the highest proportion of replies for underwear and nightgowns; while "more attractive" received the highest proportion for summer dresses, winter dresses, kimonos and negligees, and stockings.

It is evident, from an analysis of the reasons given for wearing silk, that the various factors in care and in style play the most important part in the selection of materials in clothing.

Survey of Unmarried Women

A similar survey was conducted among unmarried women.

A survey of the use of cotton in clothing, conducted in the early summer reveals the change which young women living with their parents and self-supporting single women are making in the choice of material for clothing, and their reasons for the change. The replies of 444 daughters eighteen years of age and over, living at home and supported by the family income, and of 175 single women eighteen years of age and over who are supporting themselves, were obtained.

A comparison between the kind of material which the daughters and self-supporting women wore during the year ending in the spring of 1927, and the corresponding period of five years ago, was made.

The percentage of change from cotton to silk or rayon for the different garments is indicative of the importance which women attach to silk or rayon for the various garments. With a few exceptions, the garments receiving the highest percentages for daughters also received the highest percentages for self-supporting women and vice versa.

Stability in Some Lines

An analysis of the percentage of women reporting "no change" shows the stability in the demand for certain materials. The low percentage of women reporting "no change" for such items as petticoats and unionsuits may be accounted for by the high percentage reporting "never worn" or "worn 5 years ago and not now."

Although a comparison between silk and cotton was requested, the reasons given for winter dresses indicate in many cases comparisons between silk and wool. Replies such as "lighter weight," "preferred because of warmer houses," and "easier to clean," indicate comparisons with wool rather than cotton. Inasmuch as wool was the material generally worn in the winter, such mistakes were not surprising.

Like Attractive Appearance

Of all reasons given by the daughters, "more attractive" received the largest percentage for summer dresses, winter dresses, kimonos and negligees, and stockings, and "laundering" the highest percentage for underwear, and nightgowns and pyjamas. Of the reasons given by self-supporting women, "laundering" received the highest percentage for summer dresses, underwear, and nightgowns and pyjamas, and "more attractive" the highest percentage for winter dresses, kimonas and negligees, and stockings. A comparison shows greater importance attached to "laundering" by self-supporting women.

Of the four groups of reasons—care, style, comfort, and cost—style received the highest percentage of replies by daughters for summer dresses, winter dresses, underwear, kimonos and negligees, and stockings, and comfort the highest percentage for nightgowns and pyjamas. Care received the next highest proportion for summer dresses, winter dresses, and underwear; style for nightgowns and pyjamas; comfort for kimonos and negligees, and stockings. Self-supporting women, however, gave care the highest proportion of replies for summer dresses, underwear, nightgowns and pyjamas, and style the highest percentage for winter dresses, kimonos and negligees, and stockings. Self-supporting women gave as second in importance, style for summer dresses and underwear; comfort for winter dresses, nightgowns and pyjamas, and stockings; and care for kimonos and negligees. It is interesting to note that care received a higher percentage of replies by self-supporting women than by daughters for every group of garments except stockings, in which case the percentages were practically the same. For the women living away from home, care assumes more importance and style less importance, as a factor in wearing silk rather than cotton, than for women living at home. Style, on the other hand, received a higher proportion of replies by daughters than by self-supporting women for all groups of garments except stockings, in the latter case self-supporting women reporting a higher percentage.

Self-Supporters Change Less

During the preceding five years young women eighteen years of age and over who were supported by their families have made a greater change from cotton to silk or rayon than have the women who were earning their own living. This is true, not only if the percentages for all daughters and all self-supporting women included in the study are compared, but also if comparisons are made between daughters living in families with a certain income, and self-supporting women earning approximately the same amount. The largest percentage of daughters and of self-supporting women reported changing from cotton to silk or rayon for slips, summer dresses and bloomers, while aprons, bathrobes, and nightgowns received the largest percentages of "no change." In general, an increase in size of residence groups and in size of income groups is accompanied by a larger percentage of women reporting "more silk and rayon."

If a comparison is made among wives, daughters, and self-supporting women, it is found that a higher percentage of daughters than of wives reported changing from cotton to silk or rayon for all garments except aprons, and that a higher percentage of self-supporting women than of wives reported more silk or rayon for all garments except skirts, petticoats, and stockings. A comparison between wives and daughters in the same family income groups also shows that with the exception of blouses, skirts, petticoats, and knit unionsuits, the daughters reported a higher percentage of change. If self-supporting women earning a certain income are compared with wives in families with the same income, it is found that the self-supporting women reported a higher percentage of change for all garments except blouses, skirts, petticoats, drawers and step-ins, knit unionsuits, bath robes, and stockings. The difference in the amount of money available for clothing for the self-supporting woman and for the wife would explain, in part, the higher percentage of change by the self-supporting women. In the case of daughters, however, the difference is probably accounted for by the greater social demands on the younger woman.

"Care" and "Style"

"Care" and "style" were the most important factors listed by daughters and by self-supporting women choosing silk rather than cotton. A larger proportion of reasons given by daughters fall under the heading "style" than of the reasons given by self-supporting women. "Care," on the other hand, is more important for self-supporting women than for daughters "Cost" as a factor in choosing silk instead of cotton, is relatively unimportant. It is interesting to note the low percentage of replies by both daughters and self-supporting women falling under the heading of assortment in stores or advertising.

The reasons given by married women correspond closely in their relative importance to those given by daughters. Wives listed "laundering" as the most important reason for wearing silk instead of cotton for underwear and nightgowns and pyjamas, and "more attractive" for summer dresses, winter dresses, kimonos and negligees, and stockings. This corresponds to the most important reason for each group of garments given by the daughters. A comparison between the four groups of reasons, care, style, comfort, and cost, also shows a similar grouping between wives and daughters. The only exception occurs in the case of nightgowns and pyjamas, wives giving "care" as the most important reason, and daughters "comfort," style being listed as the most important reason for all other groups of garments by both wives and daughters.

It is evident that self-supporting women give more emphasis to "care" than either wives or daughters, and that "style" is a more important factor in choosing silk instead of cotton for daughters than for the others.

Cotton Textile Industries Do Well During Past Year

That the Canadian cotton textile industries have enjoyed very good business during the past year was the opinion expressed by one of the prominent leaders of the industry to The Financial Post. He said that all the mills had been operating at capacity and that it had been largely a buyers' market, in view of the fact that the hand-to-mouth policy of buying had in the past resulted in a depression of stocks throughout the country. This resulted in a change in policy by merchants throughout Canada and as they replenished their stock, trade revived and orders were booked extensively by all the mills.

One condition which worked to the advantage of the Canadian mills was that owing to the recent customs probe, the lid has been shut down on the tide of textiles, which hitherto had been smuggled into the Dominion and made up into goods here. The Financial Post's informant was of the opinion that the coming year would be a good one for the textile industry, and that with the general prosperity throughout the Dominion, large orders would be booked to complete the stocks of those retailers who have allowed them to reach a low ebb. It is said that the majority of the companies are booking already good orders for the Fall of 1928 trade.

Courtlauds

Capitalization—

	Authorized	Outstanding
Common	£12,000,000	£12,000,000
Preferred	8,000,000	8,000,000

5 per cent. cumulative.

Funded Debt—

None.

Dividend Record—

On preferred 5 per cent. was paid in 1925. On common dividends have been paid in recent years as follows: 1914, 12½ per cent.; 1915, 20 per cent.; 1916, 30 per cent.; 1917, 30 per cent.; 1918, 32½ per cent.; 1919, 40 per cent.; with bonus of 100 per cent.; 1920, 28¾ per cent., with bonus of 200 per cent.; 1921, 11¼ per cent.; 1922 and 1923, 15 per cent. each; 1924, 20 per cent.; July 31, 1925, interim dividend of 7½ per cent.; March 9, 1926, final dividend of 17½ per cent.; July 30, 1926, interim dividend of 6¼ per cent.; March 11, 1927, 16¼ per cent.

Officers and Directors—

S. Courtlaud, chairman; E. Kettle, sec.; S. Bourne, S. A. Courtlaud, Sir T. P. Latham, F. J. Nettleford, J. S. Addison, F. Johnson, H. Johnson, G. J. Bell.

Colonel Lindbergh carried insurance aggregating $110,000 during flight to Mexico. Policy for public liability totaled $100,000 and protection against property damage $10,000.

Atlantic Underwear's Profits Better Than Previous Year

There has been a betterment in the earnings of Atlantic Underwear this year as compared with those of a year ago. The full preferred dividend payment has been made in 1927, but the stock is still 7 per cent. in arrears, due to the discontinuance of dividend payments in 1926.

The company is in good liquid position and present business conditions indicate that the preferred dividend arrears will be paid off in due course; there is nothing to indicate, though, the possibility of any immediate action leading to the liquidation of these arrears.

Capitalization—

	Authorized	Outstanding
Common	$250,000	$240,000
Preferred	250,000	200,000

7 per cent. cumulative shares $100 each.

Funded Debt—

Bonds, 6½ per cent, due 1944	$100,000	$97,500

Dividend Record—

Dividends on preferred payable Apr. and Oct. 1 passed for 1925, 14 per cent. in arrears as at Nov. 30, 1926. On common 4 per cent. was paid in 1916; 5 per cent. in 1917; 7 per cent. in 1918 and 1919; 5 per cent. in 1920; none since.

Officers and Directors—

M. S. Clarke, pres.; W. F. Humphrey, vice-pres.; W. F. Ferguson, J. L. McKinnon, A. E. Trites, R. W. Elliott, B. P. Saunders, T. W. Murphy, F. R. Sumner, J. L. Macdonald, gen. mgr. and sec., H. D. Adamson, treas.

INCOME AND SURPLUS ACCOUNT, YEARS END NOV. 30

	1926	1925	1924
Manuf. profits	$ 33,921	x$ 15,972	x$ 3,728
Directors' fees	......	1,100	2,660
Bad debts	281	3,086	3,584
Bond interest	6,500	......	1,276
Tax, reserve	1,362	......	......
	$ 25,778	x$ 20,158	$ 11,248
Dividends	......	......	14,000
Less reserve	10,000	10,000	2,333
Surplus for year	$ 15,778	x$ 10,158	x$ 22,915
Prev. balance	126,412	136,570	159,486
Balance	$142,190	$126,412	$136,571

xLoss.

Nine Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$79,991	$30,800	$ 25,266
1919	95,381	30,800	155,657
1920	48,846	26,000	157,529
1921	23,274	14,000	158,034
1922	41,033	14,000	159,198
1923	40,925	14,000	159,486
1924	x3,728	14,000	136,571
1925	x15,972	.....	126,412
1926	33,921	.....	142,190

xLoss.

Atlantic Underwear was established in 1912. It is engaged in the manufacture of a full line of wools, worsted, cottons and rayons. The plant of the company is centrally situated for distribution to the Maritime trade, and it has also been able to establish favorable markets in British Columbia and the Canadian West through being able to take advantage of cheap water freight rates and routing its goods for these markets by way of the Panama Canal.

The annual turnover when operating at capacity is over $1,000,000. It employs some 300 hands and has erected a hostel at a cost of $75,000 to house its women employees, who are boarded there at actual cost.

Atlantic Underwear sells its output to wholesalers exclusively, so that its lines of underwear, hosiery, sweaters, mitts and yarns are often sold under the name of the wholesaler rather than under the company's own name.

Summary of Capital Invested in Textile Industries

Cotton Textiles	$60,458,037
Woollen Textiles	42,315,208
Women's Clothing	21,704,956
Men's Clothing	24,180,348
Men's Furnishings	16,650,582
Hats and Caps	7,168,891
Hosiery and Knit Goods	48,230,450
Fabric Gloves	1,120,024
Silk Industry	5,744,502

HARDING CARPETS LIMITED BRANTFORD ONT.

Harding Carpets Limited

BRANTFORD, ONT.

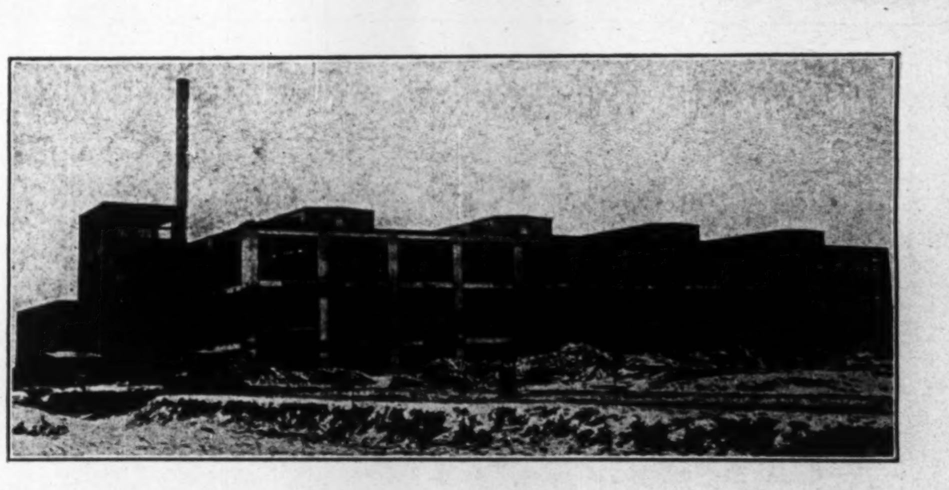
Makers of Seamless Axminster and Wilton Rugs

Axminster and Wilton Carpets

For Hotels, Theatres, and Other Public Buildings

Sales Office:
402 McKinnon Bldg., Toronto

C. V. HARDING
President



The Canadian Celanese Limited Plant, Drummondville, P.Q.

A New National Industry—
Canadian Celanese Limited

Celanese Brand Yarn is a basic textile fibre—chemically and physically quite different from any other fibre. It has many advantageous characteristics — it is unusually strong, long-wearing, non-shrinking, non-fading; it keeps clean; washing even improves it; it has a soft, luxurious handle, and a quiet, peach-like bloom.

Construction at the Company's 170-acre plant is steadily progressing. Weaving began in July, 1927; during 1928 the Company will be making its own yarns and weaving and knitting them into Voiles, Crepes, Satins, Marocains, Locknit Fabrics, etc.

When these fabrics are more widely known to Canada and as popular here as they are in England, Canadian Celanese Limited will become an industry of great national significance.

Canadian Celanese Limited

Canada Cement Building, Montreal

Kent Building, Toronto

Works, Drummondville, P. Q.

Statistical Summary of Canada's Textile Industry

Summary of the Cotton Textile Industry by Sections, 1925

Principal Statistics		Cotton Yarn and Cloth	Cotton Thread	Cotton Batting & Wadding	Cotton and Wool Waste	Cotton Goods N.E.S.	Totals
Establishments	No.	37	5	7	7	15	74
Capital invested—							
Fixed capital	$	56,641,126	1,904,027	919,311	617,489	376,084	60,458,037
Working capital	$	26,969,560	2,692,339	1,184,751	708,360	547,677	32,102,687
Employees on salaries—							
Male	No.	422	61	46	22	30	581
Female	No.	95	24	22	11	10	162
Salaries	$	1,294,483	167,513	129,583	73,072	85,298	1,749,949
Employees on wages—							
Male	No.	11,224	168	114	165	60	11,731
Female	No.	8,756	455	77	76	172	9,536
Wages	$	12,991,103	493,014	135,545	198,276	181,454	13,999,392
Cost of fuel	$	940,461	19,584	10,714	7,571	8,316	986,646
Power installed—							
Units	No.	1,572	252	42	47	42	1,955
Capacity	H.p.	72,475	1,830	538	1,031	253	76,127
Cost of materials	$	44,793,622	2,036,552	1,024,459	1,712,775	925,694	50,493,102
Gross value of prod.	$	72,781,517	3,921,862	1,771,676	2,452,488	1,398,667	82,326,210
Net value of products	$	27,987,895	1,885,310	947,217	739,713	472,973	31,833,108

Summary of the Woollen Textile Industry, by Sections, 1925

		Woollen cloths	Woollen Yarns	Carpets, Mats and Rugs	Woollen Goods N.E.S.	Total Woollen Textile Industries
Establishments	No.	57	16	16	30	119
Capital investment	$	21,342,909	9,041,892	4,080,905	7,849,502	42,315,208
Employees on salaries—						
Male	No.	215	32	119	69	435
Female	No.	45	20	31	27	123
Salaries	$	684,897	152,325	309,386	274,850	1,421,458
Employees on wages—Average of—						
Male	No.	2,135	726	486	698	4,045
Female	No.	2,031	656	225	285	3,197
Wages	$	3,227,369	940,753	584,457	737,933	5,490,512
Outside piece-workers—						
Female	No.	......	100	...	...	100
Amount paid	$	......	3,117	...	...	3,117
Cost of fuel	$	319,766	77,647	51,353	68,564	517,330
Power employed—						
Units	No.	584	186	372	286	1,428
Capacity	H.P.	11,388	3,124	2,982	5,062	22,556
Cost of materials	$	9,415,211	4,787,202	1,432,494	3,141,761	18,776,668
Value of products	$	15,499,326	7,332,093	2,905,251	5,513,230	31,249,900
Value added by manufacture.	$	6,084,115	2,544,891	1,472,757	2,371,469	12,473,232

Women's Clothing Industry, 1925

		Canada
No. of plants	No.	374
Capital employed	$	21,704,956
Average number of employees	No.	13,490
Salaries and wages	$	13,620,737
Cost of materials	$	27,105,143
Selling value of products	$	46,779,771
Value added by manufacture	$	19,674,628

Men's Clothing Industry, 1925

Number of plants	No.	175
Capital employed	$	24,180,348
Average number of employees	No.	11,109
Salaries and wages	$	12,421,814
Cost of materials	$	19,890,260
Selling value of products	$	38,236,384
Value added by manufacture	$	18,346,124

Men's Furnishing Goods Industry, 1925

Number of plants	No.	135
Capital employed	$	16,650,582
Average number of employees	No.	7,294
Salaries and wages	$	5,222,934
Cost of materials	$	13,126,738
Selling value of products	$	23,040,262
Value added by manufacture	$	9,913,524

Summary of Hosiery and Knit Goods Industry

Establishments	No.	154
Capital	$	48,230,450
Employees on salaries—		
Male	No.	645
Female	No.	322
Salaries	$	2,014,610
Wage-earners (average number)—		
Male	No.	3,999
Female	No.	9,245
Wages	$	9,465,444
Outside piece workers—		
Male	No.	3
Female	No.	433
Amount paid	$	25,274
Cost of fuel	$	457,348
Power installation—		
Units	No.	1,549
Capacity	H.P.	16,526
Cost of materials	$	26,741,153
Gross value of products	$	47,512,154
Net value of products	$	20,771,001

Summary of Silk Industry

		1925
Establishments	No.	11
Capital employed	$	9,224,224
Employees on salaries—		
Male	No.	114
Female	No.	52
Salaries	$	275,116
Employees on wages (average number)—		
Male	No.	552
Female	No.	1,009
Wages	$	1,089,741
Cost of fuel	$	76,876
Power installation—		
Units	No.	4,398
Capacity	H.P.	3,022
Cost of materials	$	3,361,035
Gross value of products	$	5,483,363
Net value of products	$	2,122,328

Imports of Textile Products

(Fiscal years 1925-27)

	U. K.	U. S.	All Countries
Total Cotton and Its Products			
1925	$18,697,122	$37,444,133	$59,344,360
1926	16,128,699	43,599,436	62,474,874
1927	15,133,478	35,525,792	54,149,009
Total Flax, Hemp and Jute Products			
1925	5,513,286	3,784,630	13,892,860
1926	6,014,919	5,085,959	16,887,193
1927	6,005,792	3,316,038	14,255,758
Total Silk and Its Products			
1925	2,330,791	5,100,616	19,875.266
1926	2,506,452	8,025,233	25,541,363
1927	2,446,082	8,297,660	30,079,476
Total Wool and Its Products			
1925	36,978,156	4,699,873	47,614,903
1926	36,304,734	3,847,595	46,036,182
1927	39,101,610	3,428,240	50,575,753
Total Fibres, Textiles and Textile Products*			
1925	72,126,492	64,002,595	185,440,757
1926	70,153,478	79,115,464	184,761,831
1927	72,713,473	66,964,208	183,583,931

*Includes items not listed above.

Exports of Textile Products

(Fiscal years 1925-27)

	U. K.	U. S.	All Countries
Total Cotton and Its Products			
1925	$ 229,997	$ 86,585	$ 990,271
1926	185,559	135,431	1,291,012
1927	143,362	59,824	631,341
Total Flax, Hemp and Jute Products			
1925	124,412	187,475	429,904
1926	11,025	102,196	143,866
1927	2,132	99,752	108,124
Total Silk and Its Products			
1925	217,468	13,085	392,981
1926	94,100	20,679	247,200
1927	4,259	6,512	81,166
Total Wool and Its Products			
1925	613,576	2,048,868	2,982,599
1926	27,710	2,474,817	2,855,845
1927	109,982	1,469,083	1,822,168
Total Fibres, Textiles and Textile Products*			
1925	2,145,762	4,894,415	9,711,720
1926	1,244,060	4,621,774	8,940,046
1927	860,030	3,451,081	7,665,563

*Including articles not listed above.

These figures are for 1925, latest available.

1928 PROSPECTS FOR RAYON TRADE VIEWED BY EXPERT

While British Exports Increase, Prices Are Not Proportionate

By SIR EDWIN STOCKTON,
Past President of the Manchester Chamber of Commerce, in Barron's, New York

The statistician is always a busy man, and he is now constantly busy with the statistics of the artificial-silk industry. Its expansion and its prospects are minutely examined not merely in England but in every other country, and it is essential, in considering these statistics, to take a very broad view. Thus any analysis of the British position should not be based upon short-term trade figures, which often show considerable variation from month to month, but on the balance for the year to date.

Perhaps the most interesting feature is the great growth in the volume of our export trade in cotton and artificial-silk mixed piece goods, though it ought not to be overlooked that the price increase does not show a proportionate percentage of gain. We are generally holding our markets, and increasing them, with perhaps the two notable exceptions of British India, which has experienced a slight setback during the year, and the Straits Settlements and the Malay States. Home consumption shows increased strength even though fashions may change, and, in the opinion of most people, it is bound to increase in proportion to the perfection of the commodity when employed in manufacture either independently or in conjunction with other textiles.

Accordingly, in any anticipatory review of the prospects for 1928 I have no fear whatever regarding the types of artificial silk yarn which we are producing. What is being done was demonstrated at the recent great exhibition at Manchester. At the same time we should be very foolish to overlook the fact that other countries are equally engaging in similar efforts, notably in Germany where the chemical trust is concentrating upon the production of a blaze of color, while attempts are being made to produce an article which will afford the same practical utility in wear as cotton or wool.

Some idea of the world competition may be gathered from the fact that, in the 20 years ending 1926, the world's total output of artificial silk has risen from 7,500 tons in the initial 12 months to over 100,000 tons in the final similar period under consideration. There is not a single sign that manufacturers in any part of the world are in any way curtailing their efforts or imagining that the industry as a whole is otherwise than in a state of development. Twenty years of life in any industry are insignificant. It will be a long time, in my judgment, before we can definitely say that the utilitarian lines of artificial silk have been definitely restricted or before we can place any limit to what the public demand will be for an article better than the one with which it is at present familiar.

Factors to Remember

There are, however, many factors which ought to be remembered in any anticipatory review of the industry. We certainly shall not be helped by any artificial boom. Its performances will not be stimulated or its prospects encouraged by wild speculation in supposed market values. No boom, artificial or otherwise, really helps any industry, but rather the reverse. There must be no relaxation of chemical research, in which, possibly, we are rather handicapped in our competition with some other countries. Artificial silk may well base its appeal to the general public primarily on its cheapness, but this is only one factor. It must also make its appeal as regards durability, ability to keep the body warm, and in relative facility for lending itself to cleansing processes. In most of these respects we are all still in the experimental stage, though much progress has been made. Moreover, no one can say with confidence what possibilities still exist with regard to the combination of artificial silk with other textiles. Our export trade figures show that we can do a very great deal, but much more remains to be done.

We shall undoubtedly have to study markets more closely in the future. Business in textiles of any sort in countries to which we mostly export is falling more and more into the hands of the speicalist. In the old days the general store was the chief trading centre in innumerable foreign countries. Nowadays, with improved locomotion, with widened diffusion of education, with improvement of taste, the general store, or even the small retail trader, finds it increasingly difficult to meet the demands of clients who are far more exacting than they used to be. Study of markets, therefore, will be most necessary by all big exporting houses, and on that special study will have to be based the discovery or creation of better means of distribution. Like the retail store, the agent who handles all sorts of articles without much regard to their detailed diffusion among potential clients has in some cases nearly served his purpose. We may yet quite possibly have to come to the creation of large ad hoc selling agencies to meet the changed conditions of wholesaling abroad.

There is nothing more interesting than to turn over the pages of the board of trade statistics relating to the distribution overseas of exports of artificial silk and cotton, and of artificial silk and wool. They show the extraordinary ramifications of this relatively new industry; they give some idea how the markets for the article are practically world-wide without any limitation, and they demonstrate that no common method of pushing business can be laid down in respect of any of them. It is clear, therefore, that when the industrial nations think they have got production into settled established channels, they will have to consider on the most comprehensive lines the improvement of all selling machinery. At all events, the official figures show that tariffs, if not entirely prohibitive, do not offer an effective bar to outside trading in any really first-class article.

We may not in 1928, or even in the near future, have to face the problem which will one day be created by the shortage of raw material. Some countries, like Germany, anticipate that their artificial-silk industry will be virtually independent in the near future of foreign countries for the supply of textile raw material, inasmuch as they are looking forward to the substitution of imported cellulose by cellulose made from German fir fibre. We are very far from being able to form any such hopeful anticipation as regards our supplies, and it behooves manufacturers therefore to take a very long view of their future requirements.

When the artificial silk industry was in its infancy, it was largely free from the many complications which many think it will have to face in the near future. There is no question, to my mind, as to the outlook for the industry as a whole. It has everything in its favor. It is still only slowly developing. It is, though, one of those industries which may be profoundly influenced by innumerable causes both inside and outside its scope, and there are few branches of trade which to my mind are likely to be so exposed to change.

"Started From Scratch"

The most encouraging feature is, however, that those connected with the artificial-silk industry are well aware of the fact. Fortunately, they have no traditions, but they have enthusiasm, adaptability and progressive ideals, and they ought easily to be able to hold their own in trade competition which, nowadays, is all the keener, because in this type of manufacture practically all the industrial nations have "started from scratch." Those producers who show the most vision and the most courage are likely to be the most successful, assuming, of course, that they "keep their heads."

MONARCH-KNIT
MONARCH KNITTING COMPANY LIMITED

Knitted Outerwear, Silk Hosiery
Radiant Lingerie
Hand Knitting Yarns
Canada's Quality Products

The Monarch Knitting Company, Ltd.
Factories at Dunnville, St. Thomas, St. Catharines
Head Office: Dunnville

Branch Offices:
Toronto, Winnipeg, Calgary, Vancouver
also

The Monarch Knitting Company of Quebec Limited
Phillips Place Building, Montreal

Improvement is Likely for Monarch Knitting During Current Year

Company Has Been One of Greatest Sufferers from Foreign Competition, But Some Moderate Revision in Tariff Would Help Matters

Monarch Knitting Co. was established in 1903 and was reorganized in 1912. It owns factories at Dunnville, Ont., its head office, and at St. Catharines and St. Thomas. All the goods are shipped from the Dunnville plant. The wool yarn is shipped by truck to St. Thomas and St. Catharines for finishing and the trucks on their return trips carry the finished goods to Dunnville for packing and shipping.

As will be seen from the accompanying figures, earnings which were substantial before and during the war, dwindled for five years following 1919 An improvement was noticeable in 1925 and again in 1926. It is understood that the report for the current year will show some further improvement.

Monarch Knitting Co. has been one of the greatest sufferers from foreign competition. The general manager of the company, J. A. Burns, who has occupied that position for many years, stated recently, as president of the Canadian Woollen and Knit Goods Association, that, under present conditions, the Canadian manufacturers were able to obtain only 30 per cent. of their home market. The reason is a low tariff and the fact that wages in mills in countries of Continental Europe are from one-quarter to half as much as wages in Canadian mills. Various representations made to Canadian authorities, with a view to obtaining further protection, so far have not been effective.

Dividends on the preferred stock of this company are in arrears and trades for some time past have been at about half the par value of $100. This is disheartening to holders of the shares, although as yet no wholesale liquidation has been apparent.

The future of this company is dependent in large degree on the tariff. Some moderate revision upward probably would place this, as well as other companies, in a position to show adequate profits. Failing an increase in the duty, some progress reasonably can be anticipated, especially if the country continues to be prosperous and there is a healthy increase in the population by immigration and by a reduction in emigration.

Capitalization—

	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7 per cent. cum.	750,000	750,000
Shares $100 each.		

Funded Debt—
None.

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. Deferred for quarter ended Apr. 30, 1925, and since.
Common, 6 per cent. per annum, paid quarterly, Nov., 1912, to Nov., 1913, inclusive, none thereafter until 4 per cent. April, 1919; 4 per cent. and bonus of 2 per cent. paid Apr., 1920; 4 per cent. May, 1921, none since.

Officers and Directors—
F. R. Lalor, pres.; A. E. Ames, T. A. Russell, vice-pres.; J. A. Burns, gen. mgr.; Geo. C. Biddle.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926	1925	1924
Net profits	$32,682	$ 2,302	*$52,325
Less Approp. for—			
Pref. divs.	......	4,375	52,500
Surp. for year	32,682	*2,073	*104,825
Add prev. surp.	352,594	504,667	609,492
Less spec. res.	......	150,000	......
Bal. car. for.	385,276	352,594	504,667

* Loss.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 202,414	$ 52,500	$ 442,212
1918	351,564	103,500	671,905
*1919	386,687	133,375	925,217
1920	183,405	103,500	1,005,123
1921	28,653	52,500	483,073
1922	116,531	52,500	547,104
1923	114,888	52,500	609,492
1924	†52,325	52,500	504,667
1925	2,302	......	352,594
1926	32,682	......	385,276

† Loss.
* In 1919 the figures are for 13 months.

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	30	30	10	10	35½	7½
Pref.	80	45	60	30	54	45

* To Dec. 16.

SMALLER PROFITS HIT CONSIDERABLY CANADIAN COTTONS

Company Derives Large Income from Sale of Electrical Current

The volume of sales of Canadian Cottons, Limited this year, shows a considerable increase over sales for the corresponding period of 1926. This has been due to the brisk demand which has developed throughout Canada, and resulted in increased bookings by all the cotton textile companies. Canadian Cottons, however, has been faced with the same situation as most of the companies engaged in the industry. While its sales have increased, business has been done on a much narrower margin of profit, owing to the keen competition that has been encountered both from foreign manufacturers and the domestic mills themselves. Thus while Canadian Cottons' sales are considerably above last year's level, there has not been a proportional increase in earnings. The company, however, has undoubtedly benefitted by the general improvement in sales.

Canadian Cottons operate six fully equipped mills of which three are located at Cornwall, Ontario, one at Hamilton, Ontario, and one at Milltown, and another at Marysville, N.B The company specializes in the production of yarn-dyed weaves, but it is also using rayon, and has considerably expanded its output of cotton-rayon mixtures.

No Great Advantage

While the public demand for rayon weaves has been met by increased production on the part of the textile companies, this departure has not been to the greatest advantage of the cotton weaving section, since the mills cannot spin the rayon themselves and in using this new material, they lose the profits they were formerly able to make on the spinning of raw cotton.

Canadian Cottons is not only a producer of cotton goods, but also of hydro power. It derives a considerable income each year from sales of electrical current. It has an agreement with the Maritime Electric Company, whereby a minimum of 2,000,000 k.w.h. is sold annually.

This power is distributed in and around the town of St. Stephen, N. B. The contract runs for twenty years and as the power is sold at a minimum price of 1½ cents per k.w.h. the company derives a minimum annual income of at least $30,000 from these sales. Any power over the minimum supply is sold to the electric company at 2 cents per k.w.h. Canadian Cottons enjoys a sound management, and although its stock is closely held, the improved condition in sales and output has reflected favorably on the stock, which has advanced to somewhat higher levels than in 1926.

Canadian Cottons has not fallen in line with most of the other large textile companies with securities listed on the stock exchange, many of which in the past have declared stock bonuses or split their stock: Although this company has built up a strong balance sheet, the capitalization has never been changed.

Close of Fiscal Year

At the close of the fiscal year on March 31 last, a surplus amounting to $2,237,563 was shown; this is equivalent to over $100 a share on the 27,155 shares of common stock outstanding. In addition, an item of $600,000 for special reserves was shown in the liabilities, notwithstanding the generous reserves provided for depreciation. If this sum were included in the surplus, the latter would be shown equal to $123 a share on the common stock.

The company's strong liquid position is further set out by its net working capital of $4,650,808, current assets being shown at about 35 per cent. of total assets. Earnings for the common stock have averaged 9 per cent. during the past five years and a dividend of eight per cent. has been paid on the common stock without interruption since 1920. It will thus be seen that there is a large equity behind the common shares which are certainly in line for a split if the company falls in with the practice of other outstanding Canadian companies. Canadian Cottons stock is very closely held and has shown considerable strength recently. The stock can be regarded as an excellent investment.

Capitalization—

	Authorised	Outstanding
Pref. 6% non-cum.	$4,500,000	$3,661,500
Common	3,500,000	2,715,500
Par $100.		
First mortgage 5% bonds, due July 2, 1940		$4,166,340

Dividend Record—
Preferred paid regularly quarterly since April, 1911.
Common 8 per cent. per annum. Initial dividend of 1 per cent. July 4, 1916, and quarterly thereafter to Jan. 4, 1918, inclusive; 1¼ per cent. quarterly Apr., 1918, to Oct., 1919; 1¾ per cent. Jan. and April, 1920; 2 per cent. July, 1920, and quarterly thereafter.

Officers and Directors—
A. O. Dawson, vice-pres. and man. dir.; Hon. F. L. Beique, K.C., A. A. Morrice, Geo. Caverhill, Sir H. Montagu Allan, W. J. Morrice, R. G. Tolmie, acting sec.-treas.

Profit and Loss—

Years end. March 31—	1927	1926	1925
Sales	$9,015,579	$9,606,641	$8,549,898
Net earnings	529,238	550,058	506,929
Invest. income	92,467	92,623	107,182
Total	621,705	642,681	614,111
Less bond int.	148,324	154,924	157,079
Bad debts, etc.	8,681	23,698	17,675
	157,005	178,622	174,754
Net profits	464,700	464,059	439,357
Less approp.—			
Pref. div.	219,690	219,690	219,690
Com. divs.	217,240	217,240	217,240
	436,930	436,930	436,930
Surp. for year	27,770	27,129	2,427
Add pre. surp.	2,709,793	2,682,664	2,680,237
Bal. car. for.	2,737,563	2,709,793	2,682,664

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1918	$1,126,126	$341,887	$1,878,109
1919	1,563,103	382,620	2,228,893
1920	1,838,443	396,197	2,683,479
1921	867,805	436,930	2,720,074
1922	668,572	436,930	2,744,290
1923	703,191	436,930	2,807,144
1924	621,379	436,930	2,680,236
1925	614,110	436,930	2,682,663
1926	642,681	436,930	2,709,793
1927	621,705	436,930	2,737,563

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	124½	106	124	113	140	115
Pref.	96½	90	99½	92½	104	95
Bonds	94½	90	99½	95	100¼	97

* To Dec. 16.

Mercury Mills

Merger of Knit Goods Companies in Western Ontario is Denied

Mercury Mills, Ltd., is one of the most successful of the companies engaged in the manufacture of cotton, silk and cashmere hosiery and underwear. The company was incorporated 1922, to take over the former business as a going concern. Later there was an issue of first mortgage bonds, which rank as a good grade of industrial investment.

Earnings figures of the company are not published, the stock being closely held, but it is understood that the progress has been highly satisfactory under the present management. The plant is one of the most modern in Canada. It occupies 5½ acres of land at Hamilton, Ont.

Mercury Mills has been mentioned in connection with a possible merger of knit goods companies in Western Ontario, but the management has denied that it contemplates entering any amalgamation, existing conditions being satisfactory from the point of view of this company.

Capitalization—

	Authorized	Outstanding
Common	$2,000,000	$900,000
Pref. 7% cum.	2,000,000	900,000
Shares $100 each.		

Funded Debt—

First mortgage, 6½ per cent., due 1942	2,000,000	736,000

Dividend Record—
Preferred 7 per cent. per annum, payable quarterly, Jan., Apr., July and Oct. 15.

Officers and Directors—
John Penman, pres.; H. G. Smith, vice-pres, gen. mgr. and sec.-treas.; R. S. Williams, asst. gen. mgr.; J. E. Evel, J. H. Gundy.

Canadian Co-operative Wool

Has Lower Earnings Than Previous Year — Substantial Betterment is Anticipated

Canadian Co-operative Wool Growers is an association of wool growers which buys and sell wool. Holdings of shares are limited, in order to maintain the co-operative principle. The experiment has been reasonably successful, and it is believed that further progress will be possible as the sheep population of the nation increases. There has been a substantial increase in the last year in the number of sheep in the country.

The latest report of the company published shows somewhat lower earnings than in the previous year. But this reduction is accounted for by the fact that there was a large carry-over of wool, which was disposed of in the first two months following the close of the fiscal year. It is believed that the next report will show a substantial betterment.

The organization, formed in 1918, consists of a large number of collecting and grading stations throughout Canada and a plant at Lennoxville for manufacturing woollen goods. There are about 2,000 wool growers who own stock.

Capitalization—

	Authorized	Outstanding
Stock	$200,000	$98,467
Par value $10.		

Funded Debt—
First mortgage bonds issued and held by Bank of Montreal as protection to shippers, $100,000.

Dividend Record—
Dividend of 8 per cent. per annum paid regularly.

Officers and Directors—
Col. R. McEwen, pres.; Chris. Jensen, 1st vice-pres.; S. A. Logan, 2nd vice-pres.; G. E. O'Brien, gen.-mgr. and treas.; W. H. J. Tisdale, asst. gen. mgr.; . O'Neill, sec.; B. G. Hollingdrake, wool supt.; W. H. Thomson, mgr. Man. and Sask. branch; L. V. Parent, mgr. Quebec branch; Geo. L. Telfer, A. W. Sharp, J. A. McClary, G. Bouchard, I. J. Rushton, Wm. Kerr, Geo. Gordon, E. Cora Hind, Geo. C. Hay, Jas. Bremner, Wm. McGregor, W. A. Dryden.

Profit and Loss—

Year end: Feb. 27—	1927	1926	1925
Sales	$104,097	$103,464	$104,774
Expenses	86,352	82,747	71,525
Depreciation	7,021	5,809	7,430
Income tax	1,518	1,241	2,061
Net profits	9,206	13,667	23,758
Less Appropriation—			
Dividend	7,339	7,268	7,274
P. for Reb.	....	....	6,884
Reserves	......	5,000	10,000
Surp. for year	1,867	1,399	*360
Prev. surp.	3,771	2,373	2,734
	5,638	3,772	2,374

* Debit.

GUELPH CARPET HAS BETTER YEAR; OUTPUT INCREASES

Profits Will be Ahead of Those of Last Year

The past year has been a satisfactory one for the Guelph Carpet and Worsted Spinning Mills. The output of the mills has been largely increased, sales are better and profits will be ahead of those of last year.

The company's plant is situated at Guelph, Ont., where it has been engaged in business for over forty years. Its plant is completely equipped with spinning and carpet weaving equipment, which enables it to handle the complete process of manufacture from raw wool to finished product. The output comprises woollen yarns and carpets. The company's products are strongly entrenched in the Canadian trade and the steady growth of the mill has resulted in its spinning mill becoming the largest, and its carpet mill the second largest in Canada.

The stock of the company is wholly British owned, the interest of the Canadian investor being centred in the six per cent. first mortgage bonds to the amount of $1,000,000 which were issued in March of this year.

The products manufactured by Guelph Carpet and Worsted Spinning Mills comprise yarns for hosiery, weaving, automobile, carpet and hand-knitting purposes, as well as Wilton, Brussels, velvets, tapestry and auto carpets.

The plant and the machinery consist of 9,500 worsted spinning spindles, 44 Wilton and 36 tapestry looms, also three sets of woollen yarn machinery, together with complete installation for scouring, carding, combing, drawing, twisting, reeling, dyeing, and finishing. The company's total assets, after deducting all current liabilities, but making no allowance for goodwill or other intangible items, are equal to $2,472 for each $1,000 bond outstanding. The company is noted for its sound and efficient management and the excellent relations it maintains with its employees, who number about 400.

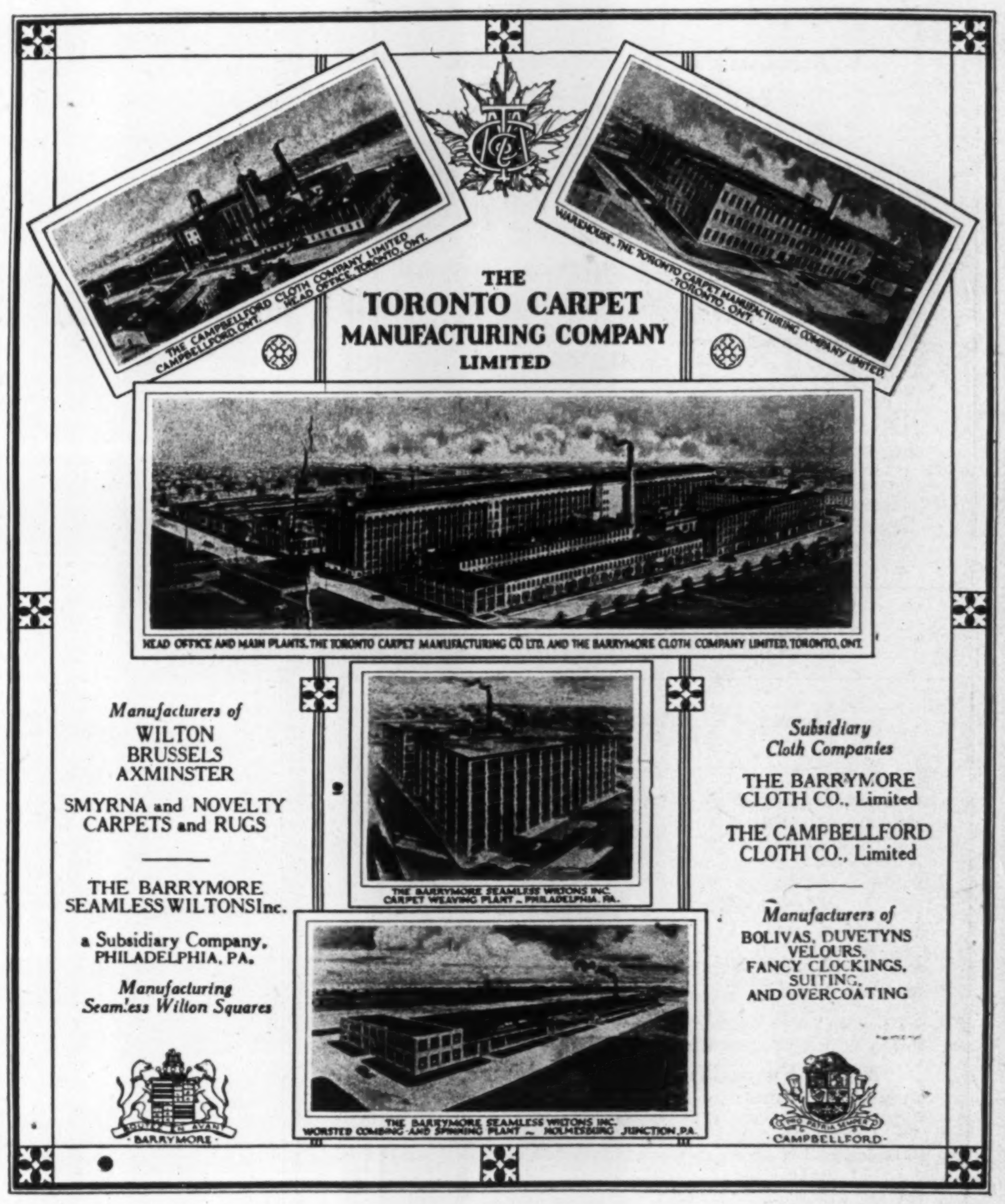
Capitalization—

	Outstanding
Common	15,000 shares, no par value

Funded Debt—
First mortgage 6% bonds, due 1947, $1,000,000.

Officers and Directors—
H. Quarmby, pres.; W. E. Buckingham, vice-pres.; W. H. Towle, sec.-treas., Guelph; W. C. Gaunt, F. Gaunt, F. Marshall, Bradford, Eng.

Earnings—
Average for 3 years and 5 months ending Feb. 28, 1927, $286,576 per annum, or over 4½ times bond interest requirements.


THE CAMPBELLFORD CLOTH COMPANY LIMITED CAMPBELLFORD, ONT. HEAD OFFICE, TORONTO, ONT.
WAREHOUSE, THE TORONTO CARPET MANUFACTURING COMPANY LIMITED TORONTO, ONT.
HEAD OFFICE AND MAIN PLANTS, THE TORONTO CARPET MANUFACTURING CO LTD. AND THE BARRYMORE CLOTH COMPANY LIMITED, TORONTO, ONT.
THE BARRYMORE SEAMLESS WILTONS INC. CARPET WEAVING PLANT — PHILADELPHIA, PA.
THE BARRYMORE SEAMLESS WILTONS INC. WORSTED COMBING AND SPINNING PLANT — HOLMESBURG JUNCTION, PA.
BARRYMORE
CAMPBELLFORD

THE
TORONTO CARPET
MANUFACTURING COMPANY
LIMITED

Manufacturers of
WILTON
BRUSSELS
AXMINSTER

SMYRNA and NOVELTY
CARPETS and RUGS

THE BARRYMORE
SEAMLESS WILTONS Inc.

a Subsidiary Company,
PHILADELPHIA, PA.

Manufacturing
Seamless Wilton Squares

Subsidiary
Cloth Companies

THE BARRYMORE
CLOTH CO., Limited

THE CAMPBELLFORD
CLOTH CO., Limited

Manufacturers of
BOLIVAS, DUVETYNS
VELOURS,
FANCY CLOCKINGS,
SUITING,
AND OVERCOATING

Vision — Application — Attainment!

IN THE steady flow of raw and finished silks into Canada from foreign countries, the founders of the Bruck Silk Mills visualized great possibilities. That here was a field in which a Canadian enterprise with Canadian capital and Canadian labour could all be employed to national advantage was evident.

To think was to act, the germ of the idea was evolved, and in 1922 the Bruck Silk Mills was established at Cowansville, Que.

From a modest beginning, under a sound and alert policy of management, the output of the Bruck Silk Mills steadily increased. The constant growth and volume of sales has proven the favor with which consumers of silk piece goods receive Bruck Silks.

To cope with this rapidly growing demand the Bruck Silk Mills in 1926 completed an extension to its plant costing over $300,000. This new addition materially increased production, but such has been the phenomenal growth of the company's business that further additions are now under construction.

This company is, and will be, an increasingly important factor in Canada's textile industry, and its industrial prosperity.

THE only Canadian company, and one of the few textile concerns in the world, carrying out the operations of silk manufacture under one roof.

The output consists of silk piece goods, such as Canton Crepe, Crepe Faille, Crepe de Chine, Satin Crepe, Flat Crepe, Silk & Woollen Crepe, Fancy Novelties, Silk Prints, etc.

Specialists in finishing, weighting and printing of silk and silk mixture piece goods in the grege for importers.

The Bruck Silk Mills
Cowansville, Que.

MONT. COTTONS CAPS LAST YEAR IN MILLS OUTPUT

Company's Stock May be Regarded as an Investment Security

The sales volume of Montreal Cottons for the current year has been considerably greater than in 1926. A keen demand has been experienced for the company's artificial silk and cotton dress goods, shirtings, and draperies. To meet the demand for these products, the mills have been working at full capacity and the output therefore, will be materially in excess of last year. Thus, although prices are said to have been somewhat lower, the bettered volume of business should offset any tendency towards lower profits. There is but little doubt that the earnings for the full fiscal year will prove satisfactory to shareholders.

Montreal Cottons enjoys the distinction of being the largest single unit among the cotton mills of the Dominion. Its fine plant, located at Valleyfield, Quebec, is equipped with the most modern machinery. The mills contain 200,000 spindles and 5,000 looms, with a daily capacity of 275,000 yards, and a weekly production of 160,000 pounds. They afford employment to some 2500 workmen. The company has, for many years, been engaged in the spinning, weaving, dyeing, bleaching and finishing of cotton textiles and of late years has been developing new lines through the installation of looms which turn out acceptable products such as tapestries and brocaded goods for use as draperies. It has also entered into the production of rayon silk fabrics. This line of goods has met with popular favor, and the company is meeting the demand by increasing its production of rayon weaves. Although sales from this branch of the industry have proved very satisfactory, and the demands have been such as to warrant further expansion, keen competition has been experienced in other lines, where it has been found practically impossible to meet the prices of foreign manufacturers seeking to gain a foothold in the Canadian trade. Particularly keen competition has been experienced from French and Belgian manufacturers of upholstering materials.

Forced Out of Lines

Benefitting by their depressed currency and low labor costs, the European producers have practically forced the Canadian manufacturer out of these lines. English and United States manufacturers have also afforded keen competition in certain lines, with the result that the domestic manufacturer has been obliged to operate on a very narrow margin of profit in order to retain his hold on the domestic trade.

Montreal Cottons generates all its own power requirements. Some 13,000 h.p. are required to operate the mill. This is generated in the company's own hydro development plant, which is equipped with the latest type turbine and generators.

Montreal Cottons at one time had a growing export trade. Its products met with a ready market in Australia and it was thought that a considerable market would develop in the Antipodes. Owing to prevailing conditions in Australia, however, this trade unfortunately has gradually dwindled until this year it has fallen off altogether.

Dividend Maintained

Montreal Cottons is almost as old as the Dominion itself, the first mill having been established on the present site in 1874. The company was then known as the Montreal Cotton Company, but in 1911, in order that the surplus which had accumulated might be divided among the shareholders, the present company, Montreal Cottons Limited, was formed, and the shareholders given in exchange for each share of the old company one share of preferred and one share of common in the new. Since 1911, Montreal Cottons has paid dividends of 7 per cent. on its preferred stock. The common stock dividend was first paid in 1912, at the rate of 4 per cent., which rate was continued up until the middle of 1919, when it was raised to five per cent. In 1920 it was increased to six per cent. and has been paid at this rate ever since.

Capitalization—

	Authorized	Outstanding
Common	$5,000,000	$3,000,000
Preferred	5,000,000	3,000,000

7 per cent. cumulative. No voting power.

Funded Debt—

First mortgage 5 per cent. bonds of Montreal Cottons due Nov. 1, 1943, $583,027.

Dividend Record—

Preferred paid regularly quarterly, March, June, Sept. and Dec. 15.

Common 6 per cent. per annum. Increased from to 5 per cent. Sept., 1919; increased to 6 per cent. March, 1920.

Officers and Directors—

Sir C. Gordon, pres.; Sir H. Holt, vice-pres., F. G. Daniels, Hon. R. Dandurand, Lt.-Col. A Hamilton Gault, Wm. Finley, J. B. Black, F. W. Molson, John Lowe, gen. mgr. and sec.-treas.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DEC. 31

	1926	1925	1924
Net earnings	$396,469	$446,330	$275,631
Other income	96,689	63,627	176,403
Total	493,158	509,956	452,034
Less: Bond int.	28,909	29,954	30,003
B. debts writ. off	3,371	987	326
Taxes	20,853	18,877	5,647
Net profits	440,025	460,138	416,058
Less Appropr. for—			
Pref. divs.	210,000	210,000	210,000
Com. divs.	180,000	180,000	180,000
Surp. for year	50,025	70,138	26,058
Add prev. surp.	1,214,851	1,144,712	*1,118,655
Less res. for S.F.	378,257	......	......
Bal. car. for.	886,619	1,214,851	1,144,712

* After adjustment.

Ten Years' Earnings—

Year	Earnings	Dividends	Surplus
1917	$ 496,607	$ 330,000	$2,331,208
1918	720,649	330,000	2,420,383
1919	1,014,204	345,000	2,771,603
1920	808,814	390,000	3,089,141
1921	480,718	390,000	3,268,542
1922	534,442	390,000	4,055,814
1923	535,552	390,000	4,118,656
1924	452,033	390,000	*1,144,712
1925	509,956	390,000	1,214,851
1926	493,158	390,000	886,619

* Surplus shows a drop of $3,000,000 due to the fact that in previous balance sheets $3,000,000 preferred shares were not shown in liabilities.

Market Record—

	1925		1926		*1927	
	H	L	H	L	H	L
Com.	105	95	112	102	117	110
Pref.	117½	109	115½	111	121	114
Bonds	92⅝	90¼	95¼	90¼	..	..

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* To Dec. 16.

Outlook for Future of Canadian Celanese Appears to be Good

Mills Expected to be Working to Capacity by Spring

NO FUNDED DEBT

When Concern is in Full Production Profits Should Prove Satisfactory to Shareholders

Construction of the Canadian Celanese plant at Drummondville, Quebec was begun in 1926, and this advanced to such a stage as to permit the beginning of weaving of celanese in July of this year. Fifty looms are now in operation. The yarns necessary for the weaving are now secured from the American company. By the end of the present year sufficient progress will have been made in erecting the plant to permit the spinning of yarn in the plant itself, so that the company will be able to complete every step of manufacture from the spinning of the cotton linters, cellulose acetate, into yarn, to the weaving of the yarn into the Celanese fabrics. Five hunrded hands are now employed and this number will be increased steadily as the plans of expansion are carried out.

The program of construction is progressing favorably, and the mills will be spinning their own materials and nicely into full production by the spring. The rapid warp knitting machines and the spinning plant are in operation and the cellulose acetate factory is, now under construction, and rapidly nearing completion.

Company's Rights

Canadian Celanese owns the entire manufacturing rights of Celanese in Canada under the Dreyfus patents, and also the right to the various by-products which may be manufactured in this process. These include such materials as artificial silk yarns, fabrics and other textiles, goods, also non-inflammable celluloid and the bases for the manufacture of certain lacquers. The company also has an agreement with the owners of the patent, which entitles it to further inventions and improvements which the associated British and United States companies may discover.

The company was financed early in 1926 by an issue of preferred stock totaling $7,200,000, and at the same time 233,800 common shares of no par value were issued. The stock was offered in units of five preferred and two common. The preferred participates to the extent of ten per cent. of profits available after regular dividends have been paid. The company has no funded debt and naturally has not yet paid dividends on either its preferred or common stock.

The reason why the common shares change hands at present levels lies in the bright future prospects of the company. Celanese is a quality type of artificial silk and until the advent of this company was not produced in the Dominion. The success of the associated companies in the States and in Great Britain makes the outlook for the future of the company satisfactory. This year, the United States celanese company experienced the best year in its history with gross and net profits at a figure more than substantially in excess of the 1926 figures. Just as soon as Canadian Celanese gets into full production within a few weeks the profits should prove satisfactory to the shareholders.

The principal celanese fabrics consist of voiles, ninons, satin, satin brocade, moires, chiffons, taffetas, foulards, crepes, gaufraged (embossed) fabrics and dull finish fabrics. The celanese products have met with the favor of the purchasing public and are now on sale at all the leading shops throughout the country. In Canada, as in England and the United States, celanese, because of its greater durability and softness, combined with the more moderate cost, has replaced real silk to a large extent. In addition to the all-celanese fabrics, celanese yarns are used in combination with other fibres such as silk, cotton and wool.

Capitalization—

	Authorized	Outstanding
Common	300,000 shs.	234,109 shs.
No par value.		
Preferred	$15,000,000	$7,200,000

7 per cent. cumulative, par $100.

Officers and Directors—

G. H. Whigham, chairman of board; Dr. Camille Dreyfus, pres.; Dr. Henri Dreyfus, and W. McC. Cameron, vice-presidents; Lee Cadien, sec.-treas.

Directors—

Dr. Camille Dreyfus, New York; Brig.-Gen. Sir W. Alexander, London, Eng.; C. L. Auger, Paterson, N. J.; Lee Cadien, W. McC. Cameron, new York; Dr. Henri Dreyfus, London; A. J. Nesbitt, G. W. Scott, Montreal; G. H. Whigham, New York.

Market Record—

	*1927	
	H	L
Common	85½	52¾
Preferred	95	88

* To Dec. 16.

Zimmerknit

Stock Has Been Fairly Active on Toronto Stock Exchange

Zimmerknit, Ltd., has been a fairly active stock on the Toronto exchange for the last several months since a new issue of stock was made under capable sponsorship. The company is said to have been a profitable enterprise when owned privately and, as the same management continues, it is fair to assume that profits will grow as the country progresses.

Since the stock issue, the name of this company has been mentioned as a member of a possible merger which would be beneficial to all concerned. But as the merger plans apparently are still in the nebulous state, investors probably would be wise in disregarding this possibility in determining the merits of the stock.

The company manufactures Zimmerknit underwear, hosiery and knit goods. It was originally incorporated in 1907 as Zimmerman Mfg. Co. and amalgamated with Reliance Knitting Co. in 1919 as Zimmerman-Reliance, Ltd. The name was changed to Zimmerknit in 1924. The property consists of a plant on Dundurn Street, Hamilton, Ont. About 500 workers are employed normally.

Capitalization—

	Authorized	Outstanding
Common	50,000 shs.	25,000 shs.
No par value.		
Pref. 7 per cent. cum.	$1,000,000	$600,000
Par $100.		

Funded Debt—

None.

Dividend Record—

Preferred 7 per cent. per annum, payable quarterly, Feb., May, Aug. and Nov. 1.

Officers and Directors—

R. L. Innes, pres.; Allan V. Young, vice-pres.; M. B. Holton, vice-pres.; W. S. Burrill, H. B. Greening, A. F. Zimmerman, F. J. Maw, J. V. Young, N. F. Firth, St. Clair Balfour, J. M. Firth, R. O. Denman, Hamilton.

Earnings—

Net earnings for four years ended Apr. 30, 1927, averaged $107,698. Net earnings for year ended April 30, 1927, amounting to $150,000.

Sales, Years Ended April 30

Year		Year	
1922	$1,051,285	1925	$1,384,014
1923	1,280,824	1926	1,765,783
1924	1,248,382	1927	1,749,060

Market Record—

	*1927	
	H	L
Common	28½	18
Preferred	95	89½

* To Dec. 16.

LARGER PROFITS ARE ANTICIPATED FOR STANFIELD'S

Company's Financial Structure Compares Favorably with Larger Concerns

Sales of Stanfield's, Ltd., for this year have increased as compared with 1926. The company has done a good business this year and increased profits for the full fiscal year, which ends next week may be expected.

Over a year ago the company expanded its plant at Truro and began manufacturing rayon knitwear. It is understood that earnings from this comparatively new field of the company's activities have been eminently satisfactory.

In Good Position

Until entering the rayon manufacturing field, Stanfield's confined its activities to the manufacture of high grade woollen underwear. Even in the most trying times of the industry Stanfield's maintained itself in a strong liquid position, and to-day the company's financial structure compares more than favorably with any of the larger companies.

The company was incorporated in Nova Scotia in 1905, succeeding the Truro Knitting Mills Company. It also owns the Amherst Woollen Mills, located at Amherst, N. S. This plant is not in operation at the present time but if more promising times come to the woollen industry it is felt that this subsidiary may become a valuable complement to the parent company.

The shares of the company only occasionally change hands between brokers in the Maritimes. If any investor is fortunate enough to be able to pick up some of the stock, he should seize the opportunity, for if Stanfield's went out of business, the last balance sheet shows that there would be at least $176 per share in liquid assets to be distributed among the shareholders. As the going and prosperous concern which it is, the shares are naturally a more than attractive investment.

Capitalization—

	Authorized	Outstanding
Capital stock	15,000 shs.	10,000 shs.

No par value.

In 1924 a new company was incorporated. The preferred stock in the old company was redeemed at 105. The common stockholders were given two shares of "No par value" for each share of $100 par value of the old company.

Funded Debt—

None.

Dividend Record—

Dividends on preferred stock formerly outstanding were paid regularly, on old common at rate of 4 per cent. per annum. Dividends on no par value shares $1 per share quarterly, Jan., April, July and Oct. 10.

Officers and Directors—

Frank Stanfield, pres. and gen. mgr.; Hon. John Stanfield, vice-pres.; Frank Stanfield, Jr., sec.; E. R. Abbott, treas.; A. J. Campbell, H. F. Bethel, L. M. Christie, A. R. Coffin.

INCOME AND SURPLUS ACCOUNT, YEARS ENDING DECEMBER 31

	1926	1925	1924
Net profits*	$113,718	$ 97,194	$102,015
Less Appropr. for—			
Pref. divs.	......	......	8,750
Com. divs.	40,000	40,000	20,000
Suspense	15,000	15,000	15,000
Surp. for year	58,718	42,194	58,265
Add prev. surp.	391,629	349,435	291,170
Bal. car. for.	450,347	391,629	349,435

* After making allowance for bad debts, depreciation, etc.

Paton Manufacturing

Capitalization—

	Outstanding
Common	10,000 shs.
No par value.	
Pref. 7 per cent. cum.	$600,000
Par $100.	

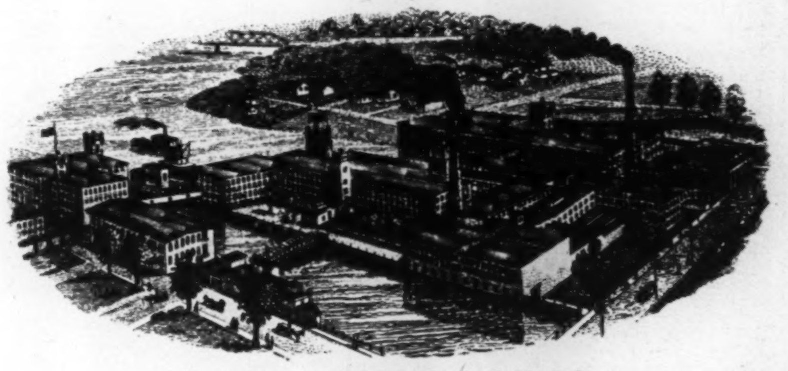
Funded Debt—

First mortgage 6 per cent. bonds due 1953	$600,000

Officers and Directors—

F. G. Daniels, pres. and man. dir.; J. M. Mackie, vice-pres.; James H. Webb, sec.-treas.; James N. Laing, Wm. McMaster, Sir Charles Gorgon, Sir Herbert Holt, A. J. Brown.

Tribune Dublin dispatch says although lists were closed in advance of stipulated time, Irish Free State loan has been oversubscribed by $3,000,000.



Head Office and Mills: Valleyfield, P.Q.

A Leader in Confederation Days-- A Leader To-day--

IN 1867 was founded a government which has developed into the great Dominion of Canada. But a few years later, in 1874, the Montreal Cottons Company was established at Valleyfield, Quebec. From the outset it became a leader in the Textile Industry, and keeping pace with the progress of the Nation, has expanded from a modest beginning into the Montreal Cottons Limited of to-day.

Even as the Dominion of Canada has established its place in the vanguard of the nations so has Montreal Cottons Limited through the excellence of its products, the soundness of its business administration, and its reputation for fair dealing and honest value, maintained its position as a leader in the Canadian Textile Industry.

The growth of Montreal Cottons Limited is reflected in its expansion from a humble beginning to its splendid mills of to-day. Here in a modern plant covering many acres of land, 2,500 Canadian workmen are employed. The mills contain 200,000 spindles and 5,000 looms with a daily capacity of 275,000 yards and a weekly production of 160,000 lbs.

Montreal Cottons has at all times maintained an active interest in the welfare of its army of 2,500 workmen. To this end it maintains a model dairy farm of 400 acres, and a herd of 380 pure bred milch cows. From this source the employees are furnished with health giving milk and dairy products at cost. The company has not stopped here, but to further aid its employees, has erected 400 dwellings of a superior type where its operators may obtain attractive living accommodation at moderate rentals.

Alert management and sound policy have laid the foundation for the success of Montreal Cottons Limited. On this has its record of past earnings been founded, and on this will it continue to find favor in the eyes of the Canadian investor.

Montreal Cottons is engaged in the spinning, weaving, dyeing, bleaching and finishing of cotton textiles. Its output consists largely of fine white goods, piece dyed materials and rayon silk fabrics of all kinds.

The company has grown with the Dominion, and it will continue to be an increasingly important factor in the Canadian Textile Industry and in Canadian prosperity as a whole.

Spinning, weaving, dyeing, bleaching and finishing of cotton textiles. The output consists largely of fine white goods, piece dyed materials and rayon silk fabrics of all kinds.

Board of Directors:

President, SIR CHARLES GORDON
Vice-President, SIR HERBERT HOLT
LT.-COL. A. HAMILTON GAULT
WM. FINLEY, HON. R. DANDURAND, F. G. DANIELS
F. W. MOLSON, J. P. BLACK, J. LOWE
General Manager and Secretary-Treasurer, JOHN LOWE

The
MONTREAL COTTONS
Limited
Head Office and Mills, Valleyfield, P.Q.
Sales Offices: Montreal, Toronto, Winnipeg, Vancouver

NIGHT HAWK MINE LIKELY TO RESUME SEARCH FOR ORE

New Funds May be Provided and Diamond Drilling Undertaken

President James R. Dodsworth, Night Hawk Peninsular Mines, forecasts resumption of operations on the property in a letter to shareholders. He outlines briefly the history of the operation and says diamond drilling will be first undertaken. The letter:

During the past few months there have been articles published in various papers referring to the affairs of your company. Some of these articles were entirely erroneous, particularly in reference to foreclosure on the part of the bondholders and the sale of the property. In view of this fact, I have decided to give to the shareholders the salient facts of its past history.

There are quite a few new shareholders who have become interested through recent purchases of stock in the open market. It is particularly to these shareholders I wish to give information. Probably most of the older shareholders are familiar with the history of the company, although from some of the articles that have appeared from time to time, there may have been things stated that would unnecessarily disturb them also.

About the time of the organization of the company which was being financed very comfortably at Pittsburg,, the directors closed with an offer of a brokerage concern in Toronto, who solicited the undertaking, to dispose of 1,000,000 shares of Night Hawk stock to net the company $900,000. The first 300,000 shares were underwritten at 75 cents per share and the balance of the stock was to be marketed at a price to yield, on the whole, 90 cents per share, which would have given the company $900,000 in its treasury. Long before that time a large amount of money had been expended for development purposes and a very prominent mining engineer, employed by said brokerage concern, made a thorough examination of the property and reported most favorably on it.

Having reasonable assurance that the financing would be carried out successfully, the board of directors at a meeting held at Toronto decided to authorize the building of a mill, being also assured by the resident manager that there was approximately $1,500,000 worth of ore "in sight" in the mine with a value of about $12.50 per ton.

The mill and other surface improvements required the expenditure of considerably more money than was estimated by our manager. In addition to this, the brokerage house failed to sell very much stock after the first $225,000 had been raised from the underwritten 300,000 shares at 75 cents per share. However, the directors feeling fully confident from repeated definite assurances by the manager that the tonnage of ore and the value of same was available for extraction and treatment, they with other large shareholders, personally advanced the company a large amount of money to complete the entire building program and to do the necessary underground development work. However, had the amount of money been derived from the sale of treasury stock as expected, underground development would have been carried to a much greater depth and extent than it was—with results no doubt much more beneficial to your company.

The mill started production in the first quarter of 1924 and operated until June 30, 1926. During this period, gold bullion to the amount of $566,725.15 was produced and shipped to the mint.

Instead of the ore having a value of approximately $12.50 per ton as estimated by the manager, it proved to have a milling value of only about $7.00 per ton—which while very profitable when treated in mills of large capacity, was little better than an even break for the company owing to the small daily tonnage treated. Had the directors any reason to have doubted the correctness of the estimate given by the manager, the installation of the mill would have been postponed and underground exploration work would have been carried out on a much larger scale.

Under the management of Walter E. Segsworth, who took charge of operations in July, 1927, costs were reduced and efficiency increased—but it was impossible to get costs down to a figure where a profit large enough could be assured to do sufficient development work and to make the additional outlay then demanded by the Northern Canada Power Limited, approximating $40,000, to defray the cost of changing our electrical equipment from 60 cycles to 25 cycles and the loss sustained by suspension of operations during this period of transition, and so it was decided to close the property down and seek additional capital.

A few months after the closing of the mine, an option was given to a firm of brokers at Toronto, who felt very confident that they could sell to English interests a one-half interest in the property for one million dollars, which money would have been used for extensive underground development and the installation of a mill of large capacity. On account of the coal strike then occurring in England, they were prevented from consummating a deal.

Early this year, a person supposed to represent Philadelphia capital became very busy with the affairs of your company and it is due to the various pieces of gossip arising from this source that I have felt it my duty to write this letter.

It is the desire and the intention of the board of directors to put your property on an operating basis as soon as possible and every effort will be made to do so. At the present time, certain strong interests are considering becoming associated with us and a preliminary campaign of diamond drilling will probably be carried out. In the meantime, the mine is being kept in good condition, and the equipment carefully conserved. The new electric installation has partially been made and its completion arranged for, so that if necessary, the mill could be put in full operation within a very short time.

Neeley Red Lake Gets Good Ore in Pits

Neeley Red Lake is reported to have met with striking success in sinking a number of test pits on its property. About twenty trenches were dug across an ore zone and values secured ran from a trace to $2. Douglas Wright examined it and he told them to sink test pits. This was done and below the surface capping free gold was opened out over a width of four feet with values running $20 to $50. The mineralized zone has been trenched for a length of 600-ft. and width 60-ft. It is a shear zone of quartz, schist and porphyry.

Imperial Royalties

Facts presented in the answer to an inquiry in last week's issue of The Financial Post, referring to operations of Royalite companies, pertained to Imperial Royalties and not Petroleum Royalties as was stated.

ST. ANTHONY LIKELY TO DIAMOND DRILL

Report Shows Encouraging Mineralization in Trench Work—Survey Completed

St. Anthony Gold Mines magnetometer survey has been completed on the section of Claim 9,867, which gave much promise. Mineralization showing considerable chalcopyrite was found in numerous trenches and pits put down. A dip needle survey gave strong attractions in various sections of the mineralized zone. This dip needle survey has been checked by the magnetometer and has shown similar attraction of a more definite nature than that obtained by the dip needle.

The greatest zone of attraction shown by the magnetometer was in the north section of the mineralized area. This has a width of approximately 110 feet and it is expected that further work will show important concentration of values.

At the present time a pit is being sunk on the most important indication. On surface, before the start of this sinking, there was found considerable mineralization in the form of pyrrhotite and chalcopyrite. These minerals were associated with an iron capping. This capping is now being removed and it is expected that as soon as the pit has reached a depth where surface conditions do not prevail there is a fair chance of locating important concentration of values.

A road has been cut from the head of Dasserat Lake to the camps on St. Anthony property, and from there it connects with the road going through the property to the Oriole Mines. This road is in shape to transport rather heavy equipment over and will make it a comparatively simple matter to take in a diamond drill to St. Anthony property during the winter months.

Trenching is continuing along with the sinking of the above pit and preparations are being made to open up the showing formerly reported on Claim 14615. Here the geology and formation are correct for ore deposition and the comparatively small amount of work performed on this claim shows heavy mineralization.

Marriott Continues to Get Good Drilling Results

Diamond drilling continues to meet with success on the Marriott property in Quebec, close to the Ontario boundary and the program of work that has been mapped out for the winter is expected to put the property in excellent shape for the launching of an aggressive mining campaign early next spring. It is the intention to do considerable more drilling and surface exploration before taking in the mining plant. It is understood that the company has its finances in excellent shape and is now assured of an ample flow of working capital.

Manitoba Presents Unique Souvenir to Minister

At a recent meeting of Manitoba Chamber of Mines, Winnipeg, a paper weight was presented and accepted by Dr. R. C. Wallace, Commissioner of Mines for Manitoba, in behalf of Hon. Charles McCrea, Minister of Mines for Ontario. The paper weight consists of a piece of Manitoba quartz showing a considerable amount of free gold, polished on one side, set in a bronze base bearing the Manitoba coat of arms in enamel, and two plates, the small one with the words "Manitoba Gold Ore," and the other "Presented to Hon. Charles McCrea by the Manitoba Chamber of Mines Party as a small token of their appreciation of his many courtesies, November, 1927."

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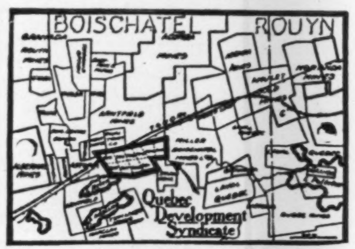

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NORANDA PEOPLE ACQUIRE MINES ON BEAR RIVER

Tretheweys Take Over Red Top Mine Which Adjoins Argenta

VANCOUVER. — Interests associated with Noranda Mines have acquired Rufus and Argenta Mines on Bear River, 12 miles from Stewart. Trethewey interests have taken over Red Top mine which adjoins the Argenta.

Although the Rufus and the Argenta adjoin and are owned by two companies with interlocking directorates and shareholder lists, the ore is different.

Rufus is a silver-lead, Argenta is a mixture of minerals having values mostly in gold and silver.

Prospect State

Both properties are very much in the prospect state, no important work having been done on them since your correspondent examined them about five years ago. Surface showings are immense and the perpendicular nature of the country allows even a casual observer to appreciate the extent of the outcroppings.

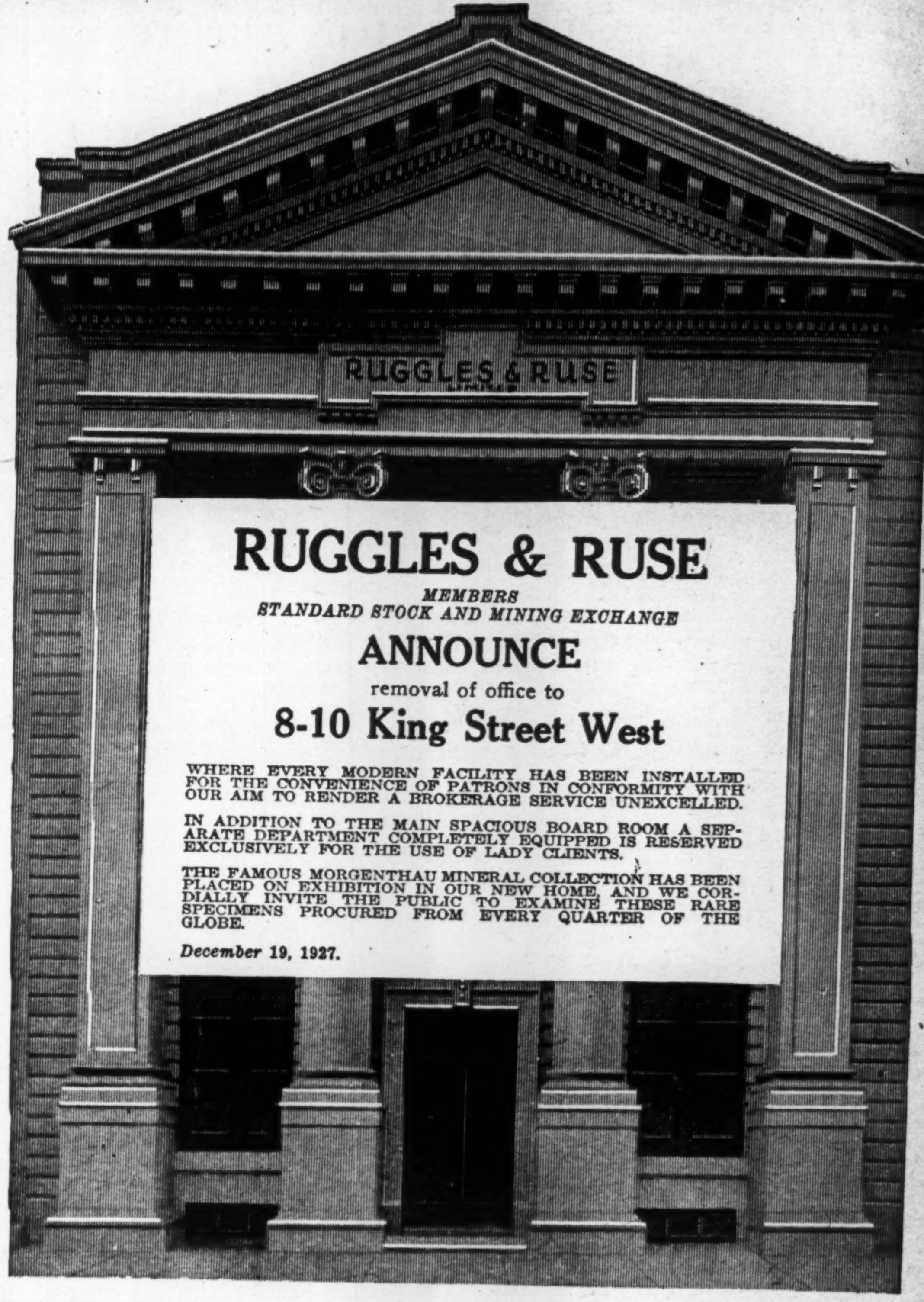
Rufus is immediately opposite George Copper recently taken over by Consolidated Mining & Smelting Co.

Terms of Noranda's interests agreement are similar to those made by C. M. & S. Co. in taking over George Copper. Rufus and Argenta, each capitalized at $1,000,000 with shares of $1 par, are being merged on share-for-share basis. Noranda puts up $480,000 for controlling interest in the new company on the basis of 30 cents a share.

Development work is to start in the spring. There are about 23 claims in all.

Benny Erickson, of Stewart and Seattle, and William Forrest, of Victoria, are two of the principal shareholders in the Rufus and Argenta. They are pioneers of the Stewart camp, having been there in 1910 when Stewart was booming both as a mining town and as the mapped terminus for Sir Donald Mann's railway to the Groundhog and Peace River districts.

The Red Top mine was bought by the Tretheweys from J. J. O'Connors, of Juneau, Alaska, and John McNeill, of Stewart, B.C., for $250,000. It has the extensions of the Argenta veins. The ore bodies are copper-gold and lead-zinc-silver. There are 12 claims.



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December 19, 1927.

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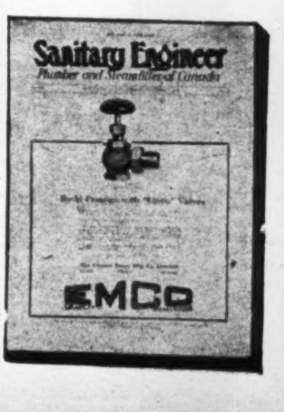

Dry Goods Review

1927

Canadian Mining News

THE FINANCIAL POST

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HARVIE DIRECTORS DECIDE TO DRIVE ON MINING EFFORT

Company's Holdings in Clericy Now Centre of Great Activity

OUTLOOK EXCELLENT

Company's Finances in Good Shape — Market Valuation on Effort is Low

From Our Own Correspondent

MONTREAL.—The Harvie Mining Company is one whose position cannot be judged by market quotations, as was pointed out by The Financial Post last week in answer to an inquirer.

From every standpoint but that of market quotations this company is in a favorable position, particularly in the field and its position there is worth some thought from students of Quebec mining. The Clericy area is showing up better every day and Harvie undoubtedly occupies the strategic centre of the Clericy ore zone.

Unlike the other Rouyn areas, Clericy seems to have a defined system of mineralization, occupying an area probably ten miles long and a mile wide. The Harvie interests undertook the herculean task of exploring and developing about half of this single handedly. They would probably have taken it all if some of the financial backers of the company had not called a halt. Mining men are just beginning to realize what a huge task was undertaken and the courage with which the long drawn out mining battle has been waged.

What Hit the Stock

The public generally is asking why the stock should have shown such evidence of distress and a close investigation reveals what appears to have been a battle between two groups which came to a head when an option pool expired. One group, heavily involved in other ventures, determined to take a profit regardless of the rest, while the controlling interests, which had been scrupulously careful of the legitimate profit taking needs of the shareholders, refused to give this group a profit and let the market take its course.

A lot of people have made money in Harvie stock, but two things are well known to those in touch with the company's affairs, first that the insiders were among the heaviest buyers at the high levels; second, that not one of the insiders has taken a dollar of profit.

It seems clear that the forced selling has now been pretty well absorbed and that in the process someone has picked up a bargain. There are only 800,000 shares outstanding and the company has resources which will carry it through another season's development without the necessity of increasing its capital. Recent sales have placed a capital valuation of only four hundred thousand dollars on this big operation.

Area Very Active

The Harvie property is now practically surrounded by active companies carrying out intensive development close to its boundaries and the company could well afford to sit back and let the others spend their money for a while. Its own property and properties

(Continued on page 32)

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N.S. Mineral Areas Assured of a Testing

Nova Scotia mineral areas are assured of a good testing out. There are several important concerns with well handled operations under way and many big operators are in the field. Mond Nickel Co. has a promising silver-lead property near Sydney and Consolidated Mining and Smelting Co. has an area of 15 square miles which will be prospected intensively.

Another British enterprise is British Metals Corporation which carries on mining the world over, and whose Nova Scotia developments are of an exceedingly promising nature.

Hollinger and Harvie Smith interests, together with the Pioneer Mining Corp., have looked over properties in Nova Scotia, as have also Messrs. Chadbourne Thompson, managing director of Noranda.

NEWS OF HOWEY IS EXPECTED SOON FROM PRESIDENT

Hammell Promises Information When He Gets Things in Order

There is a lot of bullish gossip going the rounds in regards Howey Gold. This in a measure is being counteracted by some underground reports that the stock would sell back to 80 cents, said one report, and 90 said another. Pres. Jack Hammell, always an optimist, just cannot see the market going the other way and the action of the stock would indicate that Hammell has his finger on the pulse of the issue.

There should be some good news from Howey in the not very distant future and when Mr. Hammell gets matters around to the point where be he will be able to talk, (and that will be when his plans are completed) he will have a considerable amount of bullish information.

What the property is showing in underground development, is one phase. Horace Young, M.E., manager, has been held up at Pine Ridge for a time because the airplanes would not tackle the storm which has been raging. When he gets to Toronto he will have the complete details of the work accomplished on the four levels since he crosscut the ore, and the assays. These should be of an encouraging nature, by all accounts.

Then there are three other matters on which a pronouncement may be expected. The completion of the financing is one of them, and at last accounts only one cheque was needed to put the total up to $1,400,000. Then there is the question of power and transportation. Mr. Hammell has been working hard on both these and fully expects that he will have some good news for shareholders.

It is rather a bullish situation. Hammell said that he will give the news out as soon as he gets things to the stage where there will be no hitch. Many are eagerly awaiting information on the property development as they say that with Hammell's aggressiveness there is no cause to worry over the other factors in the situation —power, transportation, and financing. It is not too much to expect that early in the new year the full information will be available.

Ontario Woman Lake Will Increase Capital

Ontario Woman Lake shareholders have ratified the proposal to increase the capital of the company to $4,000,000 and to give old shareholders 10 new shares for one old.

The old concern was a prospecting operation and it took up two excellent groups in Woman Lake, one adjoining the Jackson Manion and known as Medicine Rock. Additional ground has been secured, giving the company 341 acres in this block. The feature of this group is that at low water there is an immense mineralized mound sticking up some 200-ft. above water.

The north group consists of 5 claims and this has been diamond drilled this fall. Eight holes were put down and it is expected that the assay results will be available shortly. There are three important veins on this property which show good widths and extraordinary lengths. One has been stripped for 3,000-ft.

The shareholders elected a new board of directors as follows: M. C. Cowan, president and general manager; C. C. Jeffrey, Port Perry, vice-pres.; John C. Taylor, Port Perry, secy.-treas.; Phil. Grise, Midland, and G. R. Buckam, Montreal.

NEW HIGH LEVEL IS NOW REACHED BY INTER. NICKEL

Gossip is Circulating Regarding Development of Frood Mine

PROPERTY IS RICH

Time is Coming When This Property Should be Opened Up Laterally

Montreal and Toronto are again heavy buyers of International Nickel and the shares have reached a new high level. There is a deal of gossip going the rounds having to do mostly with its development of the Frood Mine. Undoubtedly the latter is a very rich deposit, much more so than most people realize. The time is fast approaching when it should be opened up laterally in a substantial way and this should make available details as to values. While the copper, nickel and precious metal content of the ore at depth is fairly well known, as a result of diamond drilling, it is generally understood that diamond drill cores are the most satisfactory aides in ascertaining platinum values when the content of the ore in such is perhaps one point out of an ore content of say 2,000 parts.

An interesting report that has made the rounds is that the recent strength in Yukon Treadwell shares on the market is due to its having acquired some International Nickel leases adjoining the Frood on the west and north and having possibilities of picking up this deposit at great depth.

Better Explanation

This is hardly the case. In the first place there is a better explanation than this for the rise in Treadwell-Yukon shares and in the second place this company did not secure the leases in question.

One of the Bunker Hill Sullivan subsidiaries was recently wound up. This concern had substantial holdings of Treadwell - Yukon common shares which were distributed to shareholders. At the prevailing market of around $20 this represented a tremendous profit to the holders of these shares and a good many of them were satisfied to take that profit. The liquidation of these holdings held the shares down. This situation has now been cleaned up and the steady accumulation of the common shares so as to participate in the preferred rights, that has been going on for some considerable time, is now making itself felt in the rather lean market.

The writer has been aware of the facts in regard the situation which developed over the "Nickel" leases to the west of the Frood for some considerable time. Either "Nickel" did not consider the leases of any value or someone was caught napping, for the leases ran out back in 1922. From then on until well past the middle of this year, these leases, lining up on the west side of the Frood and extending over to Murray Mine, which was the property of British American Nickel and now owned by International, as well as a block on the top of the Mond, 240 acres, known as Frood Extension, lay open for anyone to stake.

Treadwell Yukon

This year they were staked by Treadwell Yukon people and up to a few days ago they were still in the hands of the man who staked them and who was then busy getting sufficient funds together to put down a series of 4,000 and 5,000-ft. diamond drill holes with a view to ascertaining if the Frood deposit passed out of the Mond at around this depth into the adjoining ground. Hopes that such is the case are based on the fact that at depth in the Mond the ore shoot took a substantial roll which has carried it much farther to the west.

If this theory works out, the loss of these holdings by Nickel robs it of another substantial chunk of the Frood deposit. It is also recalled that for a long time the Frood Extension holding of Mond Nickel went begging. "Nickel" could have had it but when it did not take it up Mond did.

This section of ground is not only valuable because of the Frood deposit, but it has other potential value in as much as it lies between the Frood and the Murray and has a good chance of containing an extension of the famous Murray deposit.

MAKE TECK BONUS PERMANENT

It is reported that the 5 per cent. bonus which Teck Hughes gave with its last 10 per cent. dividend will be made permanent.

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You Never Go Broke Taking Your Profits—But!

"You will never go broke taking profits," is an old adage or proverb that one frequently hears on the street.

There are many who have come of late to regard this statement as a tremendous fallacy. This is true of one little group which secured early information on the developments of Mond Nickel and purchased a block of the stock before the present rise got under way. When it hit 60 shillings they had a substantial profit. Also their money was a long way from home and it was difficult to keep in touch with the market. They sold.

This week, Mond Nickel sold at 141 shillings.

Flin Flon People Switch Back to Churchill Power

Too Many Strings Are Attached to White Mud Falls Proposal — Besides Possible Paper Deal Seems Somewhat Remote

From Our Own Correspondent

Ottawa.—The Whitney interests, owners of the Flin Flon mine in northwestern Manitoba, have notified the Federal government that they were reconsidering the question of a power site for the smelter and town to be erected, and that they were in grave doubt if the application for White Mud Falls, on the Nelson River, would be pressed.

This notification bears out the forecast made in The Post on December 9 in which it was stated that the possibilities of the Whitneys developing White Mud were much more remote than were commonly supposed.

The proposal is to go back to Island Falls, on Churchill River. They hold rights on this power site, but White Mud proposal came when Sherritt-Gordon interests joined in the mining development. The reasons prompting the change as suggested in an earlier issue of The Post, are not difficult to understand. The mining proposition requires about 80,000 horsepower. White Mud, however, has a capacity of between 250,000 and 300,000 horsepower, so that if this site were chosen, the Whitneys would have a large surplus of power to market among the other mines of Manitoba's northland.

Object to Strings

If the Whitneys could obtain White Mud without strings attached, and be free to charge whatever rates they chose for power, the objections now in the way of a White Mud development would largely disappear. However, the Federal government, upon the insistence of the Manitoba government, has stipulated that a complete measure of power rate control must be included in the lease. Not only would the Whitneys have to pay exactly the same rate for power as other mining interests, but the Manitoba government would possess full authority to take over the power plant at any time, upon payment of remuneration for expenditures made in development.

The Whitneys did not cavil at these stipulations at first, because they hoped to bring in a newsprint development in the Nelson River pulpwood berth, which would take a large block of this power. However, it has become obvious in the last few weeks, as forecast in The Post, that the only paper company interested in this area—the International—will not apply for the pulpwood berth unless they are given the power site to develop along with it. The International, apparently, makes it a cardinal principle of operation to own the site from which power for their newsprint mills is drawn.

Without a newsprint development, the rates on power from White Mud would, inevitably, be very high—too high, apparently, to make the development feasible. Therefore, the Whitneys are seriously considering abandoning the White Mud application now before the government and going on with the Island Falls development.

Island Falls, according to the estimates of the Water Powers branch of the Interior department, will supply about the amount of power which the Flin Flon smelter and town will require. Its maximum development is placed at 95,000 horsepower, and the immediate needs of Flin Flon and Sherritt-Gordon will be 80,000 horsepower, with about 15,000 to be added later on.

The arguments in favor of an Island Falls development, it would appear, are very strong and the prospects are that the R. H. Channing application for White Mud, made in behalf of the Whitneys, will be dropped and a lease issued for Island Falls.

The decision will not be long delayed, because Hon. Charles Stewart, Minister of the Interior, has requested the Whitneys to take one of the two power sites and leave the other free, as quickly as possible.

BIG DEVELOPMENT IS TAKING PLACE ON SUDBURY BASIN

Expected That the Company Will Carry Out New Financing Plan

Big developments are taking place in Sudbury Basin mines, which operation seems destined to expand rapidly. No official announcement has as yet been made, but it is expected that the company will shortly carry out a new financing plan which will mean an increase from 300,000 $1 shares to $2,000,000 no par shares. Shareholders will get 3 new for one old and 1,100,000 shares will go into the treasury for future financing.

Meanwhile, following quietly on the taking up of the Cheney Copper, north of Thessalon, comes the announcement that work on these properties is already under way.

L. B. Smith, E.M., consulting engineer of the Errington interests of Toronto, has prepared and submitted a comprehensive report on these claims, and the plans laid out on this report call for an extensive development campaign during the next two years.

A large concentrating mill will be constructed if the ore bodies carry the exposed values to a workable depth.

William Errington, with a small force of men, has been on the property since May and have proved up by stripping, trenching and sampling a mineralized zone traversing favorable geological conditions for a distance of over three miles in length and from ten to twenty feet in width showing ore of commercial grade to exist the entire distance. Some years ago several cars of high grade ore up to 18 per cent. copper content, with gold and silver values, were shipped to a New Jersey smelter from these properties. Gould township has several other promising prospects which no doubt will be exploited should the Sudbury Basin Company meet with success in making a mine at the Cheney range.

Fifty tons of freight will be hauled to the properties from Thessalon during the next few weeks.

McKINLEY MINES OF EARLY COBALT TO BE WOUND UP

New Company to be Formed With $1,000,000 Share Capital

McKinley-Darragh-Savage Mines, one of the early Cobalt operators, will be wound up. In its place will be McKinley Mines Securities Co. and thus a mine operating company will become practically a financial trust.

The new company will have 1,000,000 dollar shares and old shareholders will get one new for four old and there will remain 438,077 shares in the treasury.

The old company can be liquidated at 22 cents per share if the new proposal is not acceptable. President R. Home Smith says that on an investment of $300,000 in 15 months the company made $175,000.

President Smith says:

"The mine operating loss for the year amounted to $378.60, with the average price for silver at 59 cents per ounce. The net profit of $9,492.97 was derived from the sale of plant, dividends and interest received.

"The market price for silver between the months of January and May, 1927, was reduced by 6c, and as the mine was practically exhausted your directors were met with a situation in which further operation would entail an operating loss. Therefore, in the month of June, 1927, they determined to discontinue operations except for the taking out of some high grade silver, which had been left in place in the supporting pillars. Since that date all the available ore has been mined and milled, and the mill is now being dismantled and the machinery and material disposed of.

"The general manager estimates the value of material, machinery on hand, etc., at $25,000, and, as of the 1st of December, 1927, the mining shares belonging to the company showed a value at current market quotations of $493,450.

"The assets of the company may, therefore, in the opinion of the general manager and of the directors, be safely valued at $516,950, made up as follows:

Cash on hand and in bank	$ 3,500
Shares in other mining companies at market quotation on 1st Dec., 1927	493,450
Material and supplies on hand, less cost of dismantling and sale	20,000
Total	$516,950

BIDGOOD SUCCESS HAS AIDED OTHERS TO FIND FINANCES

Lebel Township Has Great Number of Good Looking Ventures

CAMBRO IS READY

Canadian Kirkland Will Organize Two Companies on Each of its Properties

Bidgood's success in eastern part of Kirkland Lake has made it possible for a large number of operations in that section to get finances to resume exploratory work and it is understood that additional companies will have work soon under way.

To-day Lebel Township has the greatest number of good looking ventures going it ever had. The majority of them are well financed and at least two of the concerns are at the stage where very little more work will put them in a position to consider mill plans.

Details of Values

Details of the values which Bidgood has secured on the 400-ft. level are not yet available, but should arrive from the north at any time. The management is much encouraged by the look of the ore.

Cambro Mines, adjoining Bidgood on the west, has appointed Carl Ericson as manager. He was in charge of Potter Doal, and, before that, the Amulet operation in Quebec. The new manager and some of the principals have visited the property recently and operations will be under way at once. The company has $147,000 cash in its treasury with which to start work.

Jas. H. Rattray, M.E., will have charge of the work on Kirkland Eastern, which is a part of Gull Lake. It is expected that the first effort will consist of diamond drilling. Recently the company offered a block of stock through McMillan & Co. which was over subscribed, Buffalo interests taking large blocks.

Gordon Lebel

Gordon Lebel is another new operation that is contemplated for this area. It adjoins Bidgood on the east, taking in the Pinelle claims and part of McTavish Lake. It will have 296 acres and it is said that old surface exploration revealed an 8-ft. vein of good ore.

There has been an effort put forth to get control of the old Wood Kirkland, which was taken over by Kirkland Gold Belt. It is said that a court injunction has halted temporary plans to this end.

The western section of the camp promises to come to the front rapidly. Macassa with its reorganization plans complete will have work soon under way again. Adjoining it to the south is United Kirkland, which has been rounded up by Toronto and New York interests. Directors of Grozelle held a meeting recently and it is understood that finances will be in hand soon to allow for the resumption of operations. Important negotiations are under way and it would not be surprising if the company [illegible] substantially.

Canadian Kirkland

This week Canadian Kirkland held a meeting at Haileybury to organize two companies, one on each of its properties. To the west and south of Macassa the company has a property which has been opened up to 400-ft. and a considerable amount of lateral work done. North, adjoining Goodfish on the west, is the old Fidelty property, which Canadian Kirkland owns and which has a shaft down 300-ft. Some excellent showings of free gold were encountered in the sinking of this shaft. The proposal is to organize two separate companies and old shareholders will be given one share in each company for three shares of the old stock. It is understood that there is assurance that the company will be financed and operations resumed in the not distant future.

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Mining Inquiries

Astoria

Do you think Astoria shares will give one a run for his money?

Astoria people claim to have very good looking properties in Quebec that are opening out well. The board seems to be very substantial. The operation, of course, is speculative, but such a board of directors should ensure speculators a run for their money.

Mining Stock Names

Please name some mining stock which you think is a good buy at present market to make some money out of in a short time.

I am sorry, but it is against the principles of the paper to hand out investment or speculative tips. Better consult your broker or banker.

Oriole Mines

I would appreciate receiving from you an opinion on Oriole Mines, Ltd.

Oriole Mines was regarded as a fairly well located property in Northwestern Quebec and our understanding is that the surface work had revealed geological conditions justifying the company going ahead with an exploratory campaign. This is one of numerous companies in Northwestern Quebec that are regarded as prospects.

Cora Gold Mines

Can you give me any information about Cora Gold Mines, Ltd.?

Cora Gold Mines are located in Michipicoten country in Ontario, an old and neglected camp, which is now the scene of new and very great activity. I don't think a great deal of work has been done on the property, so that it should be regarded as still in the prospect stage. We understand the Montreal house is trying to raise funds to finance the development of the property.

Precious Metals

Kindly give me some information about Precious Metals, Ltd., also the name of a good broker.

Precious Metals Corporation of Canada, Ltd., is not an attractive proposition. It is a sort of a holding company with interests in various propositions that are not making very much progress. I think if you wrote to P. Luscombe & Co., St. Francois Xavier St., Montreal, they could tell you whether or not there is a market for your shares. They are a reliable house.

Quartz Lake Mining

I see from an advertisement in a Toronto paper that Todd Larkin, Keefer Building, Montreal, is boosting Quartz Lake Mining Stock. Do you think there is the least chance of this as a good gamble? If so, where could some of the shares be purchased?

Quartz Lake Mines is really a prospect of which there are hundreds throughout the country. It will take much time, work, and money to find out whether it is worth anything. The price at which the company is offering shares indicates that it is a gamble, and we should judge that Larkin would protect his clients by seeing that their money was well expended and that they got a real run for their money.

Fisher Quebec

Kindly give me particulars of Fisher Quebec Mines. I would like to know why the shares were removed from the Exchange, also present price and what the chances are of this issue being placed on the Exchange again.

The stock in Fisher Quebec Mines was given rather rough treatment by some of the Montreal brokers, and I think that this fact had something to do with the taking of the stock off the market. This is a very good company, sponsored by very good people. They had nothing whatever to do with the market action of the shares. They are developing the property in a substantial way and undoubtedly when the developments on the property warrant it, they will list the stock on some of the reliable mining exchanges.

Sherritt-Gordon

I would appreciate your opinion of Sherritt-Gordon.

Sherritt-Gordon Mine in Northern Manitoba, head office, Toronto, is capitalized at $6,000,000, shares of $1 par, of which 3,000,000 have been issued. We understand also that a deal has been made on a substantial block of the treasury shares to provide the company with a substantial amount of working capital. We have been in close touch with this operation since its inception and we don't think that the statements made in regard to ore reserves are excessive. It is a tremendous body of good grade ore, with an excellent width, which is going to make for very cheap mining. The operation is in very excellent hands. Some of the best mining men in the country are buying the shares.

Elbow Lake Mine

I notice in your Survey of Mines that the Elbow Lake Mine is dead, and I am given to understand that this company sold their properties or a portion of them to the Gordon Murray Mines, which company was formed by the amalgamation of the claims formerly optioned to Noah Timmins, the claims owned or optioned by the Mining Corporation and the claims of the Elbow Lake Mines. I am writing on behalf of several shareholders to know if you could give me the address of the Gordon Murray Mines, Ltd., or any information regarding this company.

Your note re Gordon Murray Mines to hand. There have been two or three attempts made to try and resurrect this company. I think if you wrote to Mr. Bartram, Bartram and Wadsworth, lawyers, Bank of Toronto Building, Toronto, you will get all the information.

Northern Alberta

Will you kindly advise me regarding the following securities:

1,100 shares Canada Mutual Mining & Development Co., issued at Toronto, Ont., 25th March, 1897.

100 shares The White Bear Gold Mining and Milling Co., issued at Spokane, Wash., 19th Dec., 1896. Chas. P. Ouin, president; Fred. J. Stewart, sec.-treas.

100 shares Northern Alberta Exploration Co., issued at Edmonton, Alta., 21st May, 1914. A. C. Gillespie, secretary; E. T. Bishop, director.

40 shares Herron-Elder Gas and Oil Development Co., issued 29th May, 1914.

100 shares Cobalt Union Mines, issued at Toronto, July, 1907.

100 shares Abitibi and Cobalt Mining Co., Ltd., issued at Sault Ste. Marie, Ont., February, 1907.

Re Northern Alberta Exploration Company, we would advise writing to E. T. Bishop, K.C., Edmonton. He is a leading lawyer and will be glad to give you the information desired.

Herron-Elder Gas & Oil Development Company has passed out and our understanding is that the shares are worthless.

Index of Ontario Department of Mines covering mining companies in existence or organized from 1891 on shows no such company as Canada Mutual.

In regard to White Bear Gold Mining Company, this is a United States concern and we do not endeavor to keep records or answer inquiries on them. You had better write to the secretary of the state, Olympia, Wash.

We can find no record of Cobalt, Union and Abitibi, and Cobalt of late years, and the presumption is that they are out of existence.

Grover-Daly

I hold Grover Daly at 9½, also Don Rouyn at 38, Montreal Rouyn at 15½, Stadacona at 23. Kindly give me your opinion of these shares. I also held Rouyn Gold at one time and had to exchange them for Quebec Gold Belt. Do you think it best for me to take my Rouyn Gold back or leave it as it is? What do you think of Columbus Kirkland

Grover-Daly is a gamble. It is in a good location, however, in Rouyn and has an option on control of a company near Abana, both in N. W. Quebec.

Don Rouyn is a mystery mine. Wealthy people are reported to be behind this property and although no information has been given out to the general public it is stated that considerable development work is being done on the property and that good surface indications have been found. Stadacona is considered a good gamble. An aggressive exploration program is being carried out and a strike was recently reported.

Montreal Rouyn has gone through much organizing. We do not consider it an attractive proposition and think you would be well advised to dispose of your holdings.

We do not think you can do anything with your Quebec Gold Belt shares at the present time. After the present financing of the Rubec Mine is completed, you will be able to exchange your present holdings for shares in Rubec.

Columbus Kirkland is an out and out gamble. The stock has made a considerable advance recently and it is reported that some work is being done on this property.

Quebec Gold Belt

I am holding 266 shares of Quebec Gold Belt. When can I exchange these shares for Rubec? I also hold Grover Daley Gold Mine Stock and Duprat Mines. Have you any information as to what is being done on Grover Daley property? These were bought through J. J. Isbell Logan, but I see by the Montreal papers that he has been arrested.

You have had a lot of stocks for a man, so far from the market, to hold, and we would suggest that when the moment seems opportune that you sell them all. Then if you desire to continue to speculate in the Canadian mining issues, purchase shares that have merit and promise material appreciation, and which you will not have to worry about. Quebec Gold Belt will likely be exchanged soon into Rubec. No announcement has as yet been made.

Isbell Loban are not in business but Isbell is still carrying on his business and awaiting trial on the charges against him. These in no way involve the companies you make mention.

Grover Daley and Duprat are both quite speculative and when the next move up comes in the Quebec stocks we would suggest that you unload them all.

Pontiac Mines and Power Co.

In a moment of weakness I was persuaded to part with $2,450 in exchange for 500 shares of Pontiac Mines & Power Co. Since then I have come to the conclusion that I have had one put over on me and am writing to ask your advice as to the best procedure to follow to endeavor to realize something on these shares. I have repeatedly asked the firm through whom the business was done, to put the stock back on the market for me for resale but have not received any satisfaction from them. The party who first interested me in the stock still affirms that it will be worth twice what I paid for it before many months. Any assistance you can give will be appreciated.

Pontiac Mining and Power Company is a pure promotion. The shares are not listed, and there is little or no market for the stock. What little there is, is in Toronto. It was not what we consider a well sponsored offering. It would look as though the only thing you can do is to hold the stock in the hope of revived market interest. The shares are a gamble. We have previously commented on the similarity in name to another operation near Noranda which is in excellent hands.

Central Manitoba

Can you oblige with a succinct account of the development work on Central Manitoba and Newbec, and your opinion of their respective prospects? Who are the directors?

Central Manitoba Mines are located about 100 miles north west of Winnipeg. Surface work revealed a break of about three miles on the company's property. Work was started on the Kitchener group, which is a little to the west of the centre of the holding and a shaft was sunk to 375 feet and then farther on along the vein a winse was dropped down. With the exception of a couple of lean spots where the vein took a rill, values have been consistent over good widths. About $12.00 per ton over 12-ft. are conservative figures. There is a mine of substantial proportions indicated here. The mill which has just started is treating ore from this section and ore reserves are sufficient for a couple of years with only a small portion of the property explored. To the east work is being done on the Teen Six group and here another rich deposit is indicated. Work has advanced sufficiently to justify the company taking in a complete electrically driven mining plant, which it was announced this week had been purchased. The operation is in excellent engineering hands. Executive control is by John Taylor and Sons, London, England, the world's largest gold mining house. Arthur D. Miles, a director and former president of International Nickel Company of Canada, is president of Central Manitoba Mines. Major T. C. Anderson, vice-president, was the pioneer who staked the claims and interested first Boston and then London capital in the venture. The other directors are representatives of the vendors and the operators. All in all it looks like a strong operation.

Allied Mines

Would you give me some idea of the progress being made by Allied Mines Syndicate? I hold a few units of the stock, but as the Montreal Mining Exchange was asked to suspend trading so as to enable further financing to be done, and as the promoters have failed to sell $100,000 treasury stock, I am at a loss to know whether there is any advantage in continuing to hold it. Would it be advisable to see some highly influential mining men I know who I am sure would take charge of my case, or should I secure a list of the names of the shareholders, and then see two of the best lawyers in Montreal, who are my friends? Do you believe that those connected with Allied Mines Syndicate are reputable, and will endeavor to protect the interests of the shareholders?

The reports we have had on Allied Mines Syndicate have not been favorable, either to the property or those who have promoted it. There is no market for this stock but we have been informed that Alex C. Bowles is in England at the present time, where he is endeavoring to make arrangements for the further financing of the company, and is expected back in January.

A rather long and rambling report on Allied Mines Syndicate was made by J. R. O'Neill under date of November 17. You might obtain this by writing Robert M. Lyons & Company, 190 St. James Street, Montreal.

We have been informed that no work is being done on the Allied Mines Syndicate property, but Mr. O'Neill reports the erection of a camp on one group of claims and stripping and trenching on another. He does not state when this work was done and his report for the most part deals with findings made on other properties in the district. From this it would appear that the company's properties are favorably located at least.

It would seem that it might be worth your while to wait until the new year to see what will be done by the Syndicate. If you know of some really reliable mining men, however, it would do no harm to obtain their opinions. They would be able to advise you as to whether there would be any advantage in taking legal action.

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BUSH REPORTED SEEKING FURTHER BLOCK OF GROUND

Company Making Good Progress With Two Shifts Driving Tunnel

Good progress is reported in the exploratory effort on Bush Consolidated holdings, adjoining Sebakwe in Portland Canal, B.C. Supt. William Irwin reports that night and day shifts are driving ahead on the tunnel with about 150 feet to go to cut the first porphyry zone. This will we drifted on and a cross-cut will be driven to intercept the second porphyry zone—a distance of about 300 feet. It is not questioned by mining men familiar with the camp who have visited the property, that this tunnel will disclose large bodies of commercial ore, which have been indicated by surface trenching.

Bush Consolidated, under the direction of Pres. O. B. Bush, has gone ahead in a remarkable manner. Complete camps have been established; winter supplies on the ground, and Mr. Irwin can be depended upon to push matters with all possible speed and efficiency.

It is rumored that Bush Consolidated are about to acquire additional large holdings in the camp, which will unquestionably place them in such a position as to create what might be termed a sensation. Mr. Bush, who has been in Toronto for the past ten days, was optimistic as to the possibility of Bush Consolidated being the biggest mining success he has ever been connected with. He was formerly one of the owners of the Premier, B.C. Silver, and Sebakwe, which are in the same area as Bush.

In speaking of the coming spring campaign, Mr. Bush stated that the property adjoining Premier and Woodbine on the South would be extensively developed. Incidentally, the Woodbine which adjoins the south group of Bush on the north and west, has recently cut a commercial ore body 93 feet wide.

Mr. Bush stated that Portland Canal has never seen such an active year as that which is just closing, Consolidated Smelters have acquired the Big Missouri which practically adjoins Bush Consolidated on the north, and the building of a road to their property, two miles of which cross Bush ground has proved a great stimulus. Consolidated Smelters have also acquired the George Copper property in the same district and in their summer's work is reported to have blocked out about $20,000,000 worth of gold-copper ore.

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WILD MINING DREAM HAILS FROM DETROIT

Drilling on Gigantic Scale Exists on Quebec Property, is Statement Made

Someone has evidently been having a wild mining dream, judging from a clipping taken from a Detroit paper and sent to The Financial Post by Ford Motor Co. The article is dated Swastika, which is the jumping off place on the T. and N. O. going into Kirkland Lake.

It tells of 30 diamond drills working on one great property in Desserat Tp. Quebec, and about 60 more going on the job very shortly. It looks big, so big that it has never been done before. To make it bigger, it is said that the company will have its own smelter and build its own railway, entirely electrical. The whole operation looks to be of such magnitude that it has been entirely overlooked. What attracted the attention of the Ford Co. is that this giant mining operation is said to be at the behest of a concern called Ford Industries Inc. There is every indication that the writer of the article, intended to leave the impression that it was a Henry Ford enterprise which had gone in for Quebec mining.

The article reads:

(Special to The Free Press)

SWASTIKA, Ont., Nov. 16.—Ford Industries, Inc., have been secretly at work for several months in northern Ontario and Quebec, diamond drilling, buying options on mining claims, and planning a new copper mine, according to a report here. The property has finally been selected, it is said, a few miles north-west of Rouyn, in Dasserat township, province of Quebec, and an aggressive development program is prepared.

The object of Ford industries, Inc., in the north, is thought to be copper, and copper only. Thirty diamond drills have been working on various properties all summer, and sixty more will be in the field very shortly.

Present plans may be completely changed if new discoveries with better showings or larger ore bodies indicated, can be located. The company will have its own smelter. A private railroad, entirely electrical, will be built 33 miles to connect the mine to the Canadian National system.

Flin Flon Lake Area Mapped by Department of Interior

The Topographical Survey, Department of the Interior, has just issued the Cormorant Lake sheet of the National Topographic series on a scale of four miles to an inch. This sheet is a provisional series map without contours. It is plotted from aerial photographs taken by the Royal Canadian Air Force. During the photographic flights, Dominion Land Surveyors acted as navigational officers.

The area shown on this map lies north of The Pas, Manitoba, and extends just over the border of Manitoba into Saskatchewan. It lies between latitudes 54°00 and 55°00′ and longitudes 100°00′ and 102°00′. It is similar in style to The Pas sheet on the south and Wekusko Lake sheet on the east. It is named from Cormorant Lake which lies just north of the Hudson Bay Railway. Other lakes which are well known from the mineral discoveries which have been made in their vicinity are Athapapuskow Lake, Flin Flon Lake, Schist Lake, File Lake, and Elbow Lake.

The mining fields may be reached from The Pas by steamer to Sturgeon Landing, thence by a wagon road to the Athapapuskow Lake from which canoe routes lead in numerous directions. The Mandy mine produced some very rich ore which was transported by sleighs, scows, and rail to the smelter in British Columbia. Important developments are now taking place at several other points, including the immense deposits of the Flin Flon property. This map will be of considerable assistance to those interested in development work or in further prospecting.

Geography of Dominion Needs More Studying

The big interest which is developing in mining frequently brings out what little knowledge people have of the geography of the Dominion. There have been several instances which show this recently, since interest became keen in the Flin Flon and Sherritt-Gordon properties in Northern Manitoba.

Some days ago an official of the Saskatchewan government was talking to a Toronto mining man about the wheat growing section of his province and when asked what they were going to do with the mining area, he remarked something about it being too small to bother with. He opened his eyes when informed that the prospective mineral lands of Saskatchewan were 53 per cent. of the total, and said he would look into it.

Recently a well informed Toronto paper, which publishes weekly an excellent photogravure section, carried a picture of Dawson City and the caption informed Canadians that this excellent Canadian city was in Alaska. This is worse than the mistake of the post office official at Washington who wrote the post master at Dawson and informed him that he had not sent the returns of the Dawson post office to Washington for some time. This was years ago and the letter is still to be seen pasted on the wall of the post office at Dawson, Yukon, Dominion of Canada.

Just recently a Toronto theatre staged a play called "Seward's Folly" and it dealt with the foolishness of this great U.S. official in paying $7,500,000 for Alaska and then it proceeded to point out the millions which the purchase had paid back in the gold that was mined from the Klondyke. The Klondyke is in Canada, and not a cent of its gold went as tribute to Uncle Sam.

DRILLING PROCEEDS ON ARNO PROPERTY

Consulting Engineer is Very Optimistic in Regard to Outlook

Diamond drilling has been started on the Arno property, located in Abana section of Desmelozes Tp. N. W. Quebec. Shareholders were informed that the consulting engineer, Chas. Spearman, was quite optimistic in regard to the outlook because of the electrical survey, recently completed. Mr. Spearman said:

"The bedrock is practically all covered by overburden, but Radiore survey disclosed twenty thousand of subsurface electric conductors, 3,400 feet of which displayed an intense secondary field. One of these conductors with an intense secondary field is over 2,300 feet long, and is known as the 'Birch' indication running across claims 'A' 16986 and 'A' 16987. Another one is over 1,100 feet long and runs across claims 'A' 16982 and 'A' 16985.

"On October 15 work was started on the Northwest group of the Arno with a gang of six men, cutting lines for the electric survey and the radiore survey started work on this group on October 21st, finishing on Dec. 2nd. The surface of this northwest group, like that of the southeast group, is for the most part heavily underburdened.

"There appears to be a remarkable distribution of sulphides of the metals in the area in which these groups of the Arno are located. The known deposits so far located in this district are not of the iron sulphides variety but are composed of commercial copper and zinc sulphide associated with some iron sulphides and the chances are therefore quite favorable for the location of such commercial aggregates of the commercial sulphides on these groups."

COPPER HILL MINES MAKES PAYMENT

Third Amount is Liquidated Ahead of the Due Date

From Our Own Correspondent

MONTREAL. — The Copper Hill Mines has made the third payment on its properties ahead of the due date; there are three more to be made. The prepayment of the $5,000 is an indication of the vigorous manner in which the new interests have entered into the Copper Hill Mines picture.

Showings of promising ore both in shaft sinking and in cross-cutting work are reported by the company. The shaft is now at a depth of about 75 feet, a cross-cut has been made at the 55-foot level. The shaft is being driven down to allow a second cross cut at the 100 or 125 foot level.

Work on the Copper Hill properties during the winter will consist of diamond drilling and underground work in the shaft and cross-cuts. The diamond drilling is expected to prove up a large amount of ore, previous drilling and the recent Radiore survey having given an exceedingly favorable basis for further exploration. One drill outfit is now on the way to Copper Hill and two others are being forwarded at an early date.

N. O. Lawton, M.E., has assumed charge of the Copper Hill properties. He succeeds Julius M. Cohen, M.E., who will continue to act in an advisory capacity.

Mr. Lawton was for six years in charge of operations of Miami Copper Co. of Arizona, and designed and organized the system of mining which has been so successfully operated by that company, in their production of an average of over fifty million pounds of copper year. He has also, for some time past, been technical adviser to August Heckscher, of New York, prominent mining operator in United States, former owner of the New Jersey Zinc Co.'s properties, and a director of Nipissing Mines. Through the Montreal mining brokerage house of Walton & Company, Mr. Heckscher, has taken a substantial stock interest in Copper Hill, and through this arrangement, Copper Hill will be amply financed to enable it to carry out an extensive development campaign, following work already done,

TOUGH OAKES DEAL

Tough Oakes Burnside shareholders have agreed to the issue of $400 000 7 per cent., five-year bonds. Shareholders can subscribe for $100 bond at $95 and convert the bonds into common shares at $1 per share anytime before the end of next year.

As Requested

Some time ago, I published an ad. under the caption "COLD FACTS" in which I advised the speculating public to investigate all stocks before investing their money. Since that time I have been requested by many people to issue a bulletin containing information as to what was doing at the various properties and the requests have been so numerous that I have decided to comply. Early in December, Atwell & Company will commence the issuing of a semi-monthly bulletin to be known as "MINING TRUTHS." This bulletin will, by no means, be a tipster sheet but will contain genuine information as to the developments on the various properties. The information contained will be the same as if you had personally contracted with an engineer to make a report on the property or properties you were particularly interested in. I aim to make this one of the most interesting and valuable mining services published. A post-card with your name and address will bring this bulletin to you free of charge.

Sincerely yours,

Louis M. Atwell

Louis M. Atwell & Co.
Members Montreal Mining Exchange
Insurance Exchange Building,
190 St. James St., Montreal

Steady Progress is Reported From Evangeline Gold Mines

From Our Own Correspondent

MONTREAL.—The Evangeline Gold Mines is carrying out steady development work at Oldham, N.S. From the shaft, which is down 95 feet at present, there is a tunnel 75 feet in length which has encountered an ore belt five feet in width.

The present equipment is sufficient to mine to a depth of 1,000 feet. The plant includes a cookhouse and office. Besides the shaft now in operation there is another 350 feet deep and the values of the ore there run to $40 a ton.

It is planned, according to statements of officials, to block out sufficient ore to warrant the erection of a good sized mill.

ACTION OVER SALE OF SPHINX SHARES

Underwriter Makes Claim for Stock on Cash and Wants Issue Listed

From Our Own Correspondent

MONTREAL.—An action to compel the Sphinx Rouyn Copper Mines to deliver 10,000 shares of its capital stock to him, or on failure to do so, to pay damages of $9,000, has been instituted by A. A. Ryan. He also asks for a Court Order to compel the company to list its stock on the Montreal Curb Market. In instituting the action, A. A. Ryan declared that the company through its officers, A. E. Ross, president: G. A. Fauteux, vice-president; R. T. Byers, general manager and James A. Yates, director, granted him an option on 1,000,000 shares of no par value capital stock of the company. For the first 500,000 shares a price of 10 cents a share was fixed, and for the remainder 20 cents a share.

Under the terms of the option, he alleged the company undertook to have its stock listed on the National Curb Market. He alleged that the company had failed to comply with the agreement and that although he had tendered the sum of $1,000 he had been unable to obtain delivery of the 10,000 shares of stock.

The company, in defending the action, denied any breach of the option and contended that the plaintiff had not conformed with its conditions. As to the listing of the stock on the Montreal Curb Market, it was declared that as long as Ryan failed to fulfil his part of the option, the stock could not be listed.

START SUDBURY OPERATION

The property of the K-O'G group, 15 miles north of Cutler, on the Soo branch of the C.P.R. is to be operated. Toronto people are putting up funds and an Ingersol-Rand portable outfit will be taken in for the purpose of driving a series of test pits. Diamond drilling will also be done. Pioneer Prospectors put through the deal.

ASTORIA ROUYN MINES LIMITED
Interesting reports indicate a potential ore body 1,000 feet long and 74 feet wide. Test pits 8 feet to 22 feet deep at different points show increasing mineralization at depth.
Field operations, under the personal direction of J. G. Sipprell, a competent mining engineer of experience and integrity, are being pushed forward aggressively.
The company is backed and administered by a Board and Executive of exceptional strength.
Invest now. Write.
74 Sparks Street, Ottawa

Bryant OIL CO. LTD.
CALGARY, CANADA

New Map Shows Two Interesting Camps

The locations of many of the mines which are attracting daily attention are shown on a new map just issued by the Topographical Survey, Department of the Interior, Ottawa. This is the Rouyn-Larder Lake provisional sheet of the National Topographic Series showing a north-south area, about one-half being in Ontario and the other half in Quebec. This map may be obtained from the Department of the Interior at a small fee.

The area in question is part of the pre-Cambrian which has proved to be a great storehouse of mineral wealth. Many mines have already been proved and many prospects are being developed. The mines and mining fields shown on this map include the Horne, Amulet, Waite-Montgomery, and Alderson-Mackay, on the east to Conroyal, Queen Lebel, King Kirkland and Bidgood on the west. The Barry Hollinger and Boston Creek mines are shown in the south-west corner of the map. The information shown was compiled from aerial photographs and is based on ground surveys made by the staff of the Geological Survey. It does not show contours but is very complete with respect to waterways, creeks, lakes, roads, etc. The chief interest, however, undoubtedly centres on the mining development. The map sheet lying immediately east of this which will be known as the Rouyn Lake sheet, is in course of preparation and will be issued shortly.

BARRY SUBSIDIARY

Barry Hollinger shareholders have approved the proposal to sell its claims adjoining Amity to Paterson Copper Mines. This company is a Barry subsidiary, and Barry gets half the authorized capital, 1,500,000 shares. The claims cost Barry $12,500.

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Make Use of Our Statistical Department

Many investors purchase the shares of mining companies without having full regard as to what is back of their investments. Full knowledge of your investments is essential to profitable operation in the market. We believe our Statistical Department can be of great value to you when you desire information regarding present or contemplated holdings.

An unbiased analysis, based on information gained by years of North Country experience, and supplemented by a day-to-day touch over our private wires, from our own men on the ground, places this department in a splendid position to be of help to you.

We freely invite you to correspond with us, and extend to you all the facilities of this department.

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Moysey Building, 242 Bay St., Toronto

Continuous discharge of a uniform size of produc

Marcy Grinding principles apply to all types of Marcy Rod Mills: 1—Thick pulp; 2—Rapid change of mill content; 3—Continuous discharge through the large discharge opening.

The following are some recent orders for Marcy Open-End Rod Mills in Canada:

Primary grinding in the new Teck-Hughes milling plant will be done by a 4 x 10 Marcy Rod Mill.

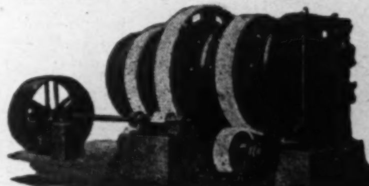
A 4 x 8 foot Marcy Rod Mill will grind to 10 mesh for Concentration upon Wilfley Tables in the new Canadian-Lorrain plant.

The Sylvanite Gold Mines, Limited, have purchased a 5 x 10 Marcy Rod Mill for grinding ahead of tube mills.

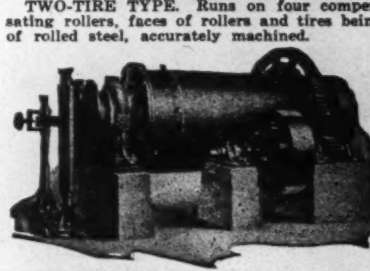
Hollinger Consolidated Gold Mines have added three 7 x 15 foot mills, thus bringing their total of Marcy Rod Mills up to eight.

Rod grinding with Marcy Mills is being demonstrated all over the Dominion as efficient and economical.

MARCY ROD MILLS ARE MADE IN SEVERAL TYPES AND MANY SIZES



TWO-TIRE TYPE. Runs on four compensating rollers, faces of rollers and tires being of rolled steel, accurately machined.



TWO-TRUNNION TYPE. The barrel is supported on two trunnion bearings having removable babbitt bushings. This type built up to 5 ft. in diameter.

MARCY BALL MILLS
MARCY ROD MILLS
WILFLEY TABLES
WILFLEY PUMPS
FALK GEARS
TELSMITH CRUSHERS

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WILL HARGREAVES DROP ANY LOWER? IS QUERY RAISED

Generally Accepted There is Nothing Wrong With Mine

How low is Wright Hargreaves going and why? was a favorite question during the week, especially after this stock sold below $6. This compared with a high of $8.45 on Oct. 3 last. The decline has been somewhat steady ever since until the rally late this week. Many believe that the bottom has been reached.

Undoubtedly there has been heavy liquidation of the shares.

A study of the transactions in the stock for the last few months indicates three distinct movements starting Aug. 23. The first was a buying or at least an upward movement in the stock. It may be that this was a preliminary cleaning of the market of loose stock before the liquidation of some heavy blocks got under way. This movement continued steadily, involving about 700,000 shares until the peak price was reached. Then started in the steady decline. This went along until Nov. 8, when a low of $7.28 was reached when the selling which eased off that week took another substantial spurt.

Nothing Wrong

It is generally accepted among mining men that there is nothing wrong with the mine. In fact, in some quarters it was expected that there would be some important news forthcoming this week in regard new successes in underground development. It may be that it is held up until the market situation clears a bit.

The trading in the shares and the different periods of buying and selling are shown in the following record of trading by weeks, since the first movement apparently started:

Week Ending	Transactions	Price Range Low	High
Aug. 23	143,410	6.40	6.50
Aug. 30	154,085	6.45	7.15
Sept. 6	100,759	7.15	7.60
Sept. 13	179,670	7.45	7.70
Sept. 20	70,084	7.40	7.60
Sept. 27	85,007	7.30	7.90
Oct. 4	178,697	7.77	8.45
Oct. 11	118,917	7.55	8.30
Oct. 18	73,725	7.65	8.05
Oct. 25	73,230	7.20	7.80
Nov. 1	62,185	7.30	7.55
Nov. 8	28,550	7.28	7.40
Nov. 15	92,075	6.95	7.40
Nov. 22	107,275	7.12	7.80
Nov. 29	98,232	7.00	7.35
Dec. 6	113,895	6.70	7.10
Dec. 13	101,260	6.25	7.00
Dec. 19	151,170	5.90	6.10
Total	1,932,236		

Some reports that all was not well at the property have met with vigorous denial from President Oliver Cabana, Jr. Tonnage is now exceeding 750 daily. A certain amount of this is low grade as development work at the moment is providing a substantial tonnage which must be got out of the way. Regarding the mine underground, he says:

Development Work

"The station recently cut at the 1,625-foot level, No. 1 vein, shows high-grade ore of the same value and width, and with our sinking operations to the 2,000-foot level proceeding rapidly the opening up the 1,750 and 1,875-foot levels in the near future, combined with our diamond drilling program to a depth of 2,500 feet, plus our recent strike at the 1,250-foot level, mouth break, near the Lake Shore boundary, the development work at Wright-Hargreaves is now going on very aggressively and with more of the main break of the Kirkland Lake camp owned by Wright-Hargreaves than by any other mine, we feel that the development of our property has great possibilities. However, it should be borne in mind that it will take months for the results from the present expansion program to be fully realized. The present seems to be a typical holiday market, when nearly all mining stocks are off in price, besides which, Wright-Hargreaves has recently encountered rather heavy selling among stockholders who are not identified with the management."

ABANA'S FINANCES WILL SHAPE WELL, IS CHIEF'S OPINION

Share Options When Exercised Will Net $300,000, Says President

A very conservative estimate of the proved ore on Abana property is $10,000,000, according to Pres. Alfred Savard, who was a visitor to Toronto this week. Mr. Savard said that the pool in this stock will be broken early in the new year but as the pooled stock is held in substantial blocks by interests close to the company, it is not likely that much of it will come on the market.

Mr. Savard said that the 500 h.p. Diesel engine is now en route to the property and that the plans are to take the equipment and machinery for a 250 ton concentrator into the property during the present winter. Construction will be carried on in the summer and by the fall the company will enter production.

One of the problems the company will have to face is that of transportation from the Dupuy, Que., station to the property, 12 miles. It is proposed to build a good wagon road and trucks will be employed.

This will have its limitations and the company hopes that other properties in the district will come along fast enough to justify the C.N.R. running a spur line in to serve the section.

Abana's finances are in good shape, according to Mr. Savard. There are options on 500,000 shares at 60 cents yet to be exercised which will net the treasury $300,000. In addition there will be 275,000 shares left in the treasury, which will be ample to carry out the development program and erect the concentrator.

HARVIE DIRECTORS DECIDE TO DRIVE ON MINING EFFORT

(Continued from page 29)

in which it is interested are so situated that no outstanding development in Clericy can fail to benefit the position of Harvie shareholders.

Will Drive Ahead

It is understood, however, that at a series of meetings held during the past ten days the directors decided to continue the aggressive program that has gone forward uninterruptedly and this will be good news for all the other operators in Clericy who realize that the magnitude of the Harvie operation, its advanced stage, and its accumulation of knowledge of the district, give it the best chance of finally proving the value of the whole Clericy district and it is recognized that the final proving of one mine will open the way to a boom which may well eclipse the original Rouyn boom.

Been Hard Problem

The Clericy situation has presented a heart-breaking problem in the solution of which lady luck has not scattered many favors. The surface over the whole zone clearly indicates a condition of mineral saturation. It is hard to find rock which does not give some evidence of chalcopyrite mineralization. On the Harvie, Copper Hill, Windfall, Cyclone Rapids and Clericy properties all the operators are engaged in the same task of finding the concentrations from which this extraordinary surface display has come. Harvie has proved that it goes to at least five hundred feet and that very rich sections of both copper and zinc do occur. The Radiore Survey which contributed so greatly to the Abana development located on the Windfall property the greatest conductor so far experienced by them in Canada. Copper Hill in their Radiore and mining operations are getting results which give them the highest ground for hope that they are close to a concentration of commercial value.

This race in Clericy is being watched with the greatest interest, particularly because the leading companies in the district are engaged in serious mining and their attitude towards their work is the right one.

NIPISSING MINE IS PLAYING SAFE AFTER GAMBLING

Proposed to Form a New Company Called the Robb-Montbray

After having taken the big gamble in Montbray, Nipissing, with the big element of rush materially reduced, is playing safe and handling on a good portion of the gambre which remains, to its shareholders as individuals.

Some interesting sidelights are coming out in regard the company's proposal for a new company to operate the Montbray group.

Property Optioned

Nipissing optioned the property from Quebec prospectors, met a number of substantial payments and spent a considerable sum of money, first in diamond drilling and then in underground exploration. Then it completed its payments.

The proposal is to form a company called Robb-Montbray with a capital of 6,000,000 shares. Two million to go to the treasury and the balance are to be issued at once. Nipissing taking down 3,200,000 and Quebec Prospectors 800,000. Nipissing then proposes to offer 2,540,000 shares to its shareholders at 30 cents. Quebec Prospectors will take up 140,000 shares and the proposed issue of 700,000 treasury shares and the balance of the issue, 1,840,000 shares will be shares which the Nipissing Co. has taken down. This will give Nipissing $552,000 and the treasury of the company $210,000, and leave Nipissing Company holding 1,320,000 shares out of a total issued of 4,700,000 and the company will have received back all the funds it has put into the operation plus a profit, and the shares it holds now.

For Further Operations

The company will have in its treasury $210,000 plus 1,300,000 shares to carry on further operations.

From a market standpoint, the interest will likely centre around the rights to purchase Robb-Montbray shares at 30 cents, and which will accrue to Nipissing shareholders. Nipissing has 6,000,000 shares outstanding and the rights will be on a basis of something around one share of Robb-Montbray for each three of Nipissing held.

NORANDA ENTERS PRODUCTION

Noranda Smelter got under way during the past week and it is expected a couple of months will be spent in tuning up.

AMULET RIGHTS

Amulet shareholders of record Jan. 21 will get rights to subscribe to new shares on a basis of one new for four old. Trading will likely take place in the rights.

HOLLINGER STRONG

Hollinger shares have staged a comeback during the past week. As The Post has pointed out recently, news in regard Kamiskotia developments is having its effect.

MINING STOCK QUOTATIONS

Week Ending December 20

	Par Val.	Div. Rate	Yield	High for wk.	Low for wk.	Close Dec. 20	Sales for wk.	Range 1926 High	Range 1926 Low	Range 1927 High	Range 1927 Low
Abana	1	....	....	2.75	2.64	2.69	3000	....	....	4.05	.20
Aconda	1	....	....	31	29	29¼	95200	....	....	45	14½
Afton	1	....	....	1.30	1.30	1.30	1710	....	....	1.30	1.00
Algonquin	1	....	....	3¼	2¾	2¾	35500	6¼	1½	5¼	2
Allied M	.	....	....	....	....	....	....	....	.5	51	2.70
Amity C.	.	....	....	40	37	37¼	73150	....	....	50	24½
Amulet	1	....	....	5.15	4.60	5.00	110930	2.98	.90	7.10	.85
Apex	1	....	....	9¼	7	8¼	79750	6	2¼	10	1
Area	1	....	....	.36	.30	.31½	122456	1.55	.21	1.95	.23
Argo. Con.	1	....	....	34¼	29	32¾	192420	76	18½	59	25
Archean	.	....	....	....	....	....	....	....	....	18	17
Atlas	1	....	....	5	4½	4½	30500	....	....	7	2
Bagamac	.	....	....	19	15	15	1000	....	....	19	15
Bedford	.	....	....	41	38	40½	49350	....	....	52	19
Baldwin	1	....	....	3¼	2½	3¼	53700	6⅜	1	5½	1
B.C. Develop.	.	....	....	1.19	1.12	1.19	14795	....	....	1.19	1.12
Barry Holl.	1	....	....	1.21	1.06	1.17	144950	1.00	.21	1.50	.25
Beaver	1	....	....	2.10	1.95	2.07	34600	.99	.51	2.75	59½
Bellellen L.	1	....	....	3½	3½	3½	2000	....	....	23½	3
Bidgood	1	....	....	1.80	1.56	1.65	334995	.9¼	.4½	1.83	.5
Boischatel	None	....	....	5	4	4	139050	....	....	27	3
Bourlamaque	1	....	....	....	....	....	....	1.45	1.02	1.53	.50
Buckingham	1	....	....	6	5	6	24700	7¼	2	9½	3
Bunker Hill	10	....	....	....	....	....	....	....	....	160	75¼
Can. Lorraine	1	....	....	18	18	18	5000	93	57	72	10
Capitol S.	1	....	....	21	17	17	1700	48½	24	34	14
Capitol R.	1	....	....	17	10½	16⅜	714750	43	26	54½	10
Castle Tre.	1	....	....	.82	.79	.80	24010	1.85	.91	1.27	.61
Cen. Manitoba	1	....	....	2.00	1.89	1.92	64230	....	....	2.30	1.07
Chaput H.	1	....	....	15	13	14½	96200	22	3⅜	18	4⅜
Clifton	1	....	....	1¼	1½	1¼	2500	6½	1	3½	½
Coast Copper	5	....	....	22.00	15.50	22.00	4725	....	....	22.00	9.75
Col. Kirk.	1	....	....	7½	6½	6	122100	6¼	2	16	1½
Coniagas	5	....	....	4.80	4.75	4.75	2730	4.85	3.00	5.05	3.20
Coniaurum	5	....	....	5.12	5.05	5.10	780	4.60	3.00	5.78	2.80
Cons. Smelter	25	10+10	7.57	264	256	264	4012	265	177¼	274½	215
C. W. Dome	1	....	....	....	....	....	....	29½	14	19	4
Copper Hill	1	....	....	56	52	53	18500	....	....	68	36
Corona	1	....	....	12¼	11	11	84550	37½	20	37	10
Crown Res.	1	....	....	65	60	62½	43584	....	....	80	39
Davidson	1	....	....	1	1	1	4000	3	1½	3	1
Destor	1	....	....	20	20	20	1000	41	40	43	20
Dome Mines	None	$1	7.40	14.00	12.80	13.50	22728	20.00	8.00	14.60	6.85
Dom. Lead	.	....	....	....	....	....	....	....	....	1.73	1.05
Dom. Kirk.	1	....	....	7	5½	6	70900	....	....	12	1½
Don. Rouyn	1	....	....	21	18	20	12650	61	25	56½	17½
Dubec	1	....	....	.53	.49	.49	400	....	....	1.48	.35
Duprat	1	....	....	12	9¾	11	113050	....	....	21	9¾
Dupuy	1	....	....	30	30	30	500	....	....	79½	9
Everett	1	....	....	....	....	....	....	12¼	3¼	5½	1¼
Federal Kirk.	1	....	....	68	62	68	45300	....	....	72	40
Fiske	1	....	....	8	8	8	500	....	....	30½	5
Fisher, Que.	1	....	....	....	....	....	....	....	....	2.20	.50
Gifford	1	....	....	....	....	....	....	....	....	1¾	¼
Gladstone	10	....	....	....	....	....	....	....	....	29	4
Goldale	1	....	....	46¾	41	45	53350	43	24	51½	20
Gold Hill	1	....	....	39	33	34½	293900	73¼	25	54	22
Gold Ore	1	....	....	....	....	....	....	....	....	2.45	.50
Gold Reef	1	....	....	2	1½	2	8500	5	1	2½	½
Granada Rouyn	.	....	....	32	30	31	173900	....	....	41	14½
Grover Daley	1	....	....	15	11	12½	96600	32	18	37	8
Harvie Exp.	None	....	....	.70	.50	.53	19885	....	....	2.40	.50
Hillcrest c.	100	6	10.00	60	60	60	10	65	55	65	50
Hillcrest, pref.	100	7	8.23	....	....	....	....	83	79½	90	81¼
Hilltop	1	....	....	21½	19	19	27400	31¼	20	25	6½
Hollinger	5	26	7.32	17.80	17.00	17.75	11842	21.00	16.75	22.65	16.40
Howey Gold	1	....	....	1.49	1.36	1.49	193170	....	....	1.78	.42
Indian	1	....	....	6¼	6	6	12000	14½	2¾	12	4
Int. Nickel	25	$2	2.51	79⅜	72	79½	112786	46	32¼	79⅜	28
Jackson M.	1	....	....	80	73	80	50650	....	....	85	36
Jay Copper	.	....	....	....	....	....	....	1.10	.73	1.26	.30
Keeley	1	16	22.53	.75	.71	.71	18400	1.91	1.39	1.66	.70
Keora M.	1	....	....	5	5	5	13000	22	11	13½	2
Kirk, G.B.	1	....	....	....	....	....	....	....	....	1.29	.75
Kirk. Hunt.	1	....	....	26	25	25	104520	34	8½	35½	10
Kirk. Lake	1	....	....	2.55	2.42	2.48	123540	1.44	.69	3.06	.82
Koot. Florence	20c	....	....	27½	25	26⅛	19300	....	....	29¼	22
Lebel Oro	1	....	....	56	54	54	20300	....	....	66	30
La Rose	1	....	....	8	5½	5½	5500	39	4	12	3
Lake Shore	1	40+10	1.89	26.60	26.00	26.35	4445	16.50	9.50	28.20	15.04
Lakeside L.	1	....	....	....	....	....	....	10	1⅛	6	½
Laurier	None	....	....	....	....	....	....	....	....	65	45
Laval	1	....	....	30	23	24½	318450	45¼	21	59	19½
Lorrain c.	1	....	....	1	1	1	2000	15	2	3¼	1
Lorrain T.L.	1	....	....	....	....	....	....	1.10	.30	.86	.25
Macassa	1	....	....	51	44	44	34800	43	22	69	18
Malartic	.	....	....	75	53	72	322300	....	....	75	23½
Marclay	1	....	....	....	....	....	....	35	20	42	34½
Marriott	1	....	....	41½	39	39	6700	....	....	45	35
McDougall	1	....	....	54	50	50	80000	....	....	90	24
McKinley	1	....	....	19	18	18½	17720	26	8½	25½	11
McIntyre	5	20	3.80	26.85	26.26	26.30	3050	29.75	22.70	29.00	24.00
Mentor	10	....	....	....	....	....	....	....	....	14.00	12.00
Millcrest	1	....	....	8½	7½	8	33200	21½	3½	14	2
Mining Corp	5	25c.	....	4.05	3.80	3.90	26334	4.45	2.60	5.05	2.90
Moneta	1	....	....	10	10	10	500	18	11	15½	8¾
Montreal R.	1	....	...	....	....	....	....	60	13	33	10
Newbec	1	....	....	.71	.65	.68	68350	....	....	1.20	.62½
Newray	1	....	....	....	....	....	....	45	31	50	28
Night Hawk	1	....	....	7½	7	7½	44200	17	3¼	10½	4
Nipissing	5	6	4.80	6.65	5.50	6.25	12415	9.25	4.95	10.30	5.25
Noranda	None	....	....	24.10	22.50	24.00	50408	24.75	12.00	28.50	19.95
Ophir	1	....	....	2¼	2⅛	2¼	1300	4½	½	4⅜	¼
Osisko	.	....	....	.50	.44	.50	5500	1.94	1.05	1.75	.35
Pawnee Kirk.	1	....	....	65	62	65	42800	....	....	74	54
P. L. Cobalt	1	....	....	7¾	6	6½	39466	32	14½	18	2
Porc. Crown	1	....	....	7	5	6	30200	12	4	11	3
Pioneer	1	....	....	.60	.56	.59	40750	1.22	.66	1.18	.45
Potter Doal	None	....	....	22	20	20½	98650	....	....	65	10½
Premier Gold	1	32	13.67	2.36	2.30	2.34	10135	2.75	1.83	2.50	1.86
Preston	1	....	....	5	4¾	4⅞	8950	9⅜	4	7	3
Realty & Mines	.	....	....	23	20	20	28400	....	....	38	15
Ribago	1	....	....	29½	25¼	26½	119200	....	....	87	13
Rouyn	1	....	....	....	....	....	....	9	1⅞	5	1
Rouyn Gold	1	....	....	3	3	3	500	....	....	4	2½
Rouyn, Que.	1	....	....	3	2¾	3	3000	4½	1½	4⅜	1
Rubec	1	....	....	1.55	1.30	1.30	11680	....	....	3.65	.98
San Antonio	.	....	....	55	52	52	130650	....	....	57	30
Silver Leaf	.	....	....	....	....	....	....	....	....	1¾	1
Siscoe	1	....	....	....	....	....	....	....	....	60	12
South Keora	1	....	....	20½	15	19	46650	35½	5	64½	4¼
Stadacona	None	....	....	21	20	21	111858	51	40	55	13
St. Anthony	1	....	....	45	42	43	4000	....	....	50	16
Sud. Basin	1	....	....	11.85	8.20	11.10	48245	....	....	11.85	4.00
Sylvanite	1	....	....	4.05	3.90	3.90	8200	....	....	4.80	2.60
Telluride	.	....	....	38	35	38	9100	....	....	38	35
Teck Hughes	1	10+5	1.40	10.75	10.00	10.65	64312	5.55	2.64	12.00	5.27
Thomp. Krist	1	....	....	....	....	....	....	3½	1	2	½
Tough Oakes	1	....	....	75	67½	68½	270120	66	36	82	.25
Towagmac	1	....	....	3.90	3.75	3.85	7540	6.10	3.15	5.75	2.85
Timiskaming	1	....	....	9½	9	9	2325	15¼	6	10	4
Treadwell Y.	1	....	....	26.50	23.50	24.75	14015	....	....	26.75	18.50
Thom. Cad'c.	.	....	....	....	....	....	....	....	....	50	38
Vic. Silver	1	....	....	....	....	....	....	96	3⅛	14	1½
Vickers	1	....	....	.60	.60	.60	2700	1.22	.13	1.52	.25
Vipond	1	....	....	.73	.70	.70	35025	2.02	1.49	1.75	.47
Wakenda	1	....	....	11¾	10½	11½	58500	3¼	1	16	1
Wasapika	1	....	....	....	....	....	....	4	1	2	1
West D. Lake	1	....	....	14½	12	12½	41350	....	....	20	8
West Tree	1	....	....	....	....	....	....	....	....	4½	1
Wettlaufer	1	....	....	....	....	....	....	10	1	4¾	1½
Wiltsey C.	1	....	....	57¼	55¾	56	15200	....	....	74	50
Wright Har.	None	20c.	3.07	6.65	5.90	6.50	226790	....	....	8.45	5.50
Windfall R.N.	.	....	....	31	19¾	25	24128	....	....	31	19¾
Ajax Oil	1	....	....	68¾	65	65	19600	....	....	70	6½
Petrol Oil	.	....	....	25	20	22	125624	....	....	25	7
Trojan Oil	.	....	....	....	....	....	....	....	....	8.60	4.00
Vac. Gas	1	....	....	15	13	14	25400	....	....	26	8

"Dollar Bill" —a Parable

MY family name is Money—my nick name "Dollar Bill." I was born in a Mine. When I was still young I was turned over by the company in whose Mine I was born to a Man who worked there. I heard them say I was part of his Wages. From this Workman I passed on to a Storekeeper to pay for some groceries; and from the Storekeeper I moved on to another Man who made his living by selling shoes. Then I went to another Man to pay for some clothes.

Since that time I've travelled Far. I came to a Big City and have been in the pockets of Butchers, Bakers, and a great many other kinds of Men, many of whom wouldn't know a Mine if they saw one.

Since I began to travel around, I've found out that there are a great many other Dollar Bills who came from Mines too, for I've bumped into Thousands and Thousands who all told me they were born in just the same way as I.

It wasn't until a short while ago when I overheard a Banker tell a Man there were Millions of Dollar Bills born every year in Mines, that I realized just how big and influential our Family really is.

When I think of this it makes me wonder just how the Butcher, the Baker, the Banker and all the others in whose pockets I have been would have got along if it had not been for my Brothers and I from the Mines.

Right now I'm resting in the pocket of a Man who says he doesn't believe in Mines—says they're a Snare and a Delusion—but I wonder would he change his mind if he knew as I do that a great many of the Dollar Bills in his pocket were, like myself, born in the Mines?

Homer L. Gibson
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Elgin 2241 Toronto
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KIRKLAND LAKE ROUYN
SUDBURY NORTH BAY
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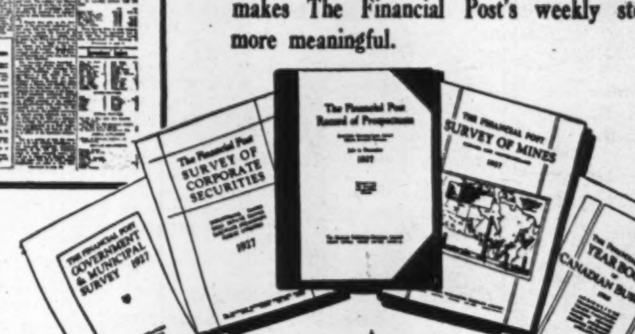
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Featuring The London Life's New Head Office Building

THE FINANCIAL POST

Vol. XXI. PUBLICATION OFFICE: TORONTO, DECEMBER 23, 1927 No. 51

This Million Dollar Building is Proving Sound Investment

Greater Efficiency Already Noted in Personnel of Staff

CAN BE EXPANDED

As Company's Needs Grow, Present Structure Can be Enlarged Without Disturbing Harmony of Design

The London Life Assurance Company is now installed in a new head office at London, Ontario, that is one of the most beautiful and is certainly the most efficient office building in Canada.

Not far short of a million dollars has been invested in this fine structure; perhaps it would be more accurate to say in this fine plant, for not a dollar has been spent that is not considered by the directors of the company to be an investment in greater office efficiency. The money has been put into building and equipment that will enable the heart of this gigantic organization to function with a force that will ever keep the company moving forward.

Planned for Future

It is a building for the future; not planned in a day and built in a month. It is the result of many years of close study and examination of the needs of the company and the best way to fit a building to those needs. It is a building that will stand for generations and that can be added to, as the years go on and business rolls up, until a giant skyscraper stands in London, a monument to the present generation of London Life executives who saw that the cheapest building in the end would be the best building that money could buy.

The London Life Building is a fine structure of Indiana limestone. It is now five stories high and designed in such a way that a second unit of similar size can be added to one side—eight, ten or twelve years from now, when the company's growth makes such a building desirable. The present 100,000 square feet of floor space can be practically doubled without throwing the building out of proportion. And even later a sixteen-story skyscraper can be built in the central court and will harmonize with the present plan of the building.

No Noise or Confusion

Equipment of the building and its offices is of the most modern. Everything has been designed to speed up work, to eliminate noise and confusion, to keep the staff keyed up and at the same time contented, to prevent loss through costly mistakes. Piping, wiring, heating, inter-communication systems, lighting, etc., have all been designed for steady growth.

An efficient plant means an efficient staff. Already this has been proven by the London Life's own experience. Before entering the new building the staff was scattered through three separate buildings not well planned for the company's present needs. Since entering its new building, in September, the company has found its staff more productive. The psychological effect of a well-planned building, equipped with modern office machinery, has been most salutary.

Investment Pays

Every dollar spent in the London Life Building to make head office efficiency greater is already earning dividends for the company and its policyholders.

One example only need be quoted as typical of the way in which the company's interest in maintaining the goodwill of its employees and enhancing their productive abilities is working to the general advantage of the company. Whenever there is a vacancy in the ranks of the London Life staff there are always twenty to forty applicants for the position. The company is enabled to select the personnel of its organization from the cream of Western Ontario's young men and women. In the long run this means a great deal.

Monogram Seen In Artistic Designs

The visitor to the London Life Building does not lack visible evidences of its ownership. The London Life monogram is prominent.

The special lighting fixtures designed for the main corridors by McDonald and Willson Studios, of Toronto, are decorated with the London Life monogram. The door knobs throughout the building have the initials of the company also entwined in a chaste design.

BLACKBOARD MAKES CONFERENCE ROOM

Adjacent to the office of E. E. Reid, the general manager, is a small conference room used for committee meetings. Here a large table is surrounded by chairs. A small gathering of members of any particular department can be called together to go over any knotty problem.

Educational classes held in the evenings, and which different members of the staff attend to advance themselves in actuarial science, or the business of life underwriting, are also held in this conference room.

A feature is a blackboard covering one end of the room. There is nothing like a blackboard for visual demonstrations. The blackboard in this conference room makes it what it is.

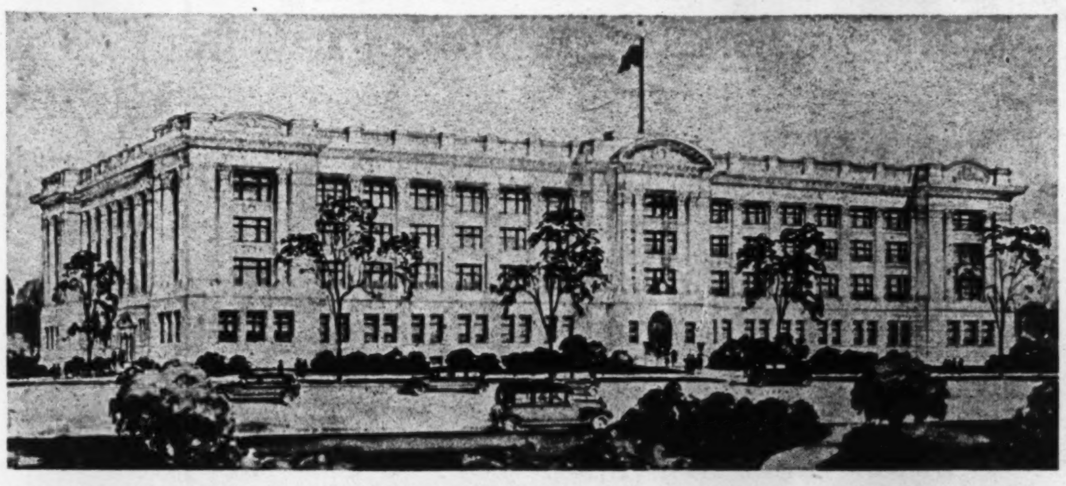
Planning New Offices? Then Study This Issue

Many big corporations in Canada are planning new office buildings. Banks, investment houses, insurance companies, industrial companies, etc., are finding their present quarters cramped or unsuitable.

To the executives of such companies this issue is addressed. It tells the story of Canada's newest and finest office building, that of the London Life Assurance Company, recently completed in the metropolis of Western Ontario.

The building itself is thoroughly described in a non-technical way, and striking or novel features in lay-out construction or equipment are treated in a number of articles.

London Life's Handsome New Building Graces London, Ontario



London Life Insurance Company's new building, as shown in the architect's drawing. The large unit now completed extends from the left to the right of the stately centre door. The other wing is for the future. This magnificent building is a labor of love. Edward E. Reid, the general manager of the company, has studied for years and has traveled many miles to get ideas for this building. The architects, J. M. Moore & Son, have worked patiently as well as skillfully; and the structure, now completed, has entire suitability, great beauty, and many new ideas which others planning buildings will find full of suggestions.

London Life Has Doubled Business Every Four Years

Every Time Company Goes Into Larger Quarters, Policyholders Have Had Simultaneous Benefit Given to Them

By KENNETH R. WILSON

When the doors of the new head office of the London Life Insurance Company are officially swung open next February, there will be celebrated another milestone in a career that had its inception in the year 1874, and which has been growing steadily in strength and stature ever since.

Starting but seven years after Canada's confederation, the London Life has spanned the intervening years with a record that is hard to equal on this continent, and although it has always confined its activities within the borders of the Dominion, it has practically doubled in size every four years, and now boasts nearly $300,000,000 of life insurance in force on the lives of its Canadian policyholders.

Where Policyholders Gain

Thus the growth that has made possible the erection of a $1,000,000 building, which is in itself only part of a much more comprehensive scheme, has not by any means been a growth of the mushroom variety. Each step in the company's development has been taken with the realization that the primary obligations of an insurance company is to its policyholders, and it is perhaps something more than a mere coincidence, that every expansion at the head office at London has been associated either with a reduction in the cost of protection to policyholders, or else by a strengthening of the company's reserves for the protection of the insured. In other words, expansion has been dependent on the financial position of the company, and on this solid footing, policyholders' benefits and head office growth, have been built.

In the past, however, this outward or material expansion has been somewhat belated, with the result that since 1920, the work of the head office organization has been carried on from two separate buildings, while since 1924, three separate buildings have been necessary to keep in touch with this Dominion-wide organization.

Story of Its Rise

But, to begin at the beginning, it may be of more than passing interest both to policyholders and to insurance men, to learn something about the early days of this vigorous Londoner, and to trace through these past fifty-three years, the struggles and successes that have alike attended this phenomenal growth.

According to the records, it was in 1874 that Joseph Jeffery, (father of the company's present head, President A. O. Jeffery) applied to the provincial government at Toronto, for a charter to incorporate the "London Life and Acciden Insurance Company" to write ordinary non-participating life and accident insurance. The company was capitalized at $500,000 of which $90,000 was subscribed, and $22,420 was paid-up at the end of the year 1875.

Joseph Jeffery, manager of the Molsons Bank at London, was the first president, and with him were associated such men as the Right Rev. I. Hellmuth, Anglican bishop of Huron; Dr. Egerton Ryerson, the father of Ontario's educational system; and John McClary, founder of the McClary Manufacturing Co. At first, the head office was in the Molsons Bank Building, but shortly afterwards permanent quarters were obtained in the Ontario Loan & Debenture Co. building, which was used as a head office until 1906.

Richter Becomes Manager

For the first seven years, little progress was made and when the new appointment of John G. Richter as manager, was made in 1883, the company had only $697,253 of insurance in force and had a total income of less than $25,000.

At that time, Mr. Richter found that the affairs of the company were in a critical condition, and after a thorough investigation he recommended three important changes in the policy of the company. In the first place the shareholders should be asked for a special assessment in order to place the company on a firm financial footing; secondly, re-incorporation should be sought under a Dominion charter; and thirdly, the accident branch of the business should be closed, and that participating as well as non-participating life insurance should be written.

With the boards swept clean by the new manager, the company in 1887 increased its activities by the addition of an industrial or weekly premium department, and by 1889 were ready to meet a decade of fierce competition from the assessment and fraternal organizations, which at that time were in the heyday of their activity. In those days the legal reserve life insurance companies had not the same prestige that they have to-day, and the appeal made by the low-cost protection and social activities of the fraternal organizations proved an acute problem for many struggling life companies.

Edward Reid Enters

But turning now to the present century, there appears on the pages of the company's history another figure on whose shoulders falls very largely the responsibility for the tremendous growth that has characterized the past twenty years. It was in 1894 that Edward E. Reid entered the organization of which he is now general manager, and for nearly twenty-five years his personality and ability have exercised a dominating influence wherever the name "London Life" appears. First as actuary, then as assistant manager, and finally as general manager, Mr. Reid has stepped quietly into the London Life limelight, and there is no sincerer compliment than to say that this present head office building, for which he is so largely responsible, has been for him a labor of love.

Without leadership and a sound foundation, growth in the life insurance business is impossible, and not only has Mr. Reid labored to make strong the foundations, but of late he has also furnished the leadership that has enabled this company to take advantage of the opportunities of the past decade. Whether it be at the head office in London, or among the far-flung field force, or among his confreres in other companies, Mr. Reid is acclaimed as the dominating figure in the London Life to-day, and his personality the outstanding contribution to a growth that in the past twelve or thirteen years has been

(Continued on page 36)

PRINTING PLANT, FULLY EQUIPPED, RIGHT IN BUILDING

Turns Out Much of Work Required by the Company

DOES RUSH WORK

Also Maintains Secrecy in New Policy Forms and Other Documents

A well-equipped printing plant does a large part of the work required in the London Life Building. The plant pays its way. While it cannot hope to better the prices that would be quoted by outside printers, it provides a rapidity of service that is extremely desirable in such a building. And in connection with some types of work it gives additional safeguard as to secrecy until the proper time for announcement comes.

Has Three Presses

The printing shop is located in the basement and has been newly equipped with modern machinery.

There are three presses, including one large Miehle for heavy jobs. Multigraphing machines, a bindery for stitching, sewing and pasting booklets, etc., and allied machinery for other printing processes have been provided. A staff of eight handles the work.

Some idea of the extent of the capacity of the plant may be had from the fact that in addition to printing policies, booklets, and practically all office forms, the printing shop turns out 65,000 16-page magazines every second month. These are for distribution to industrial policyholders.

One of the General Offices, Well-Lighted, Airy and Comfortable

The photograph shows some of the features of the building. The lights are of white glass. The bottom of each light is of a transparent flexible celluloid material which can be removed with the fingers, making cleaning the bowls and changing bulbs a simple matter. Dictaphone, electric and telephone wires for each desk are connected with the conduit system in the floor. A station of the Lamson tube system, eliminating messenger service, is seen at the left.

Doubling in Size Every Four Years

THE London Life Insurance Company is fifty-four years old. It has built for itself a financial foundation so secure as to make possible the rapid advance the Company has enjoyed in recent years and at the same time effect a lessening of the cost of insurance.

Another contributing factor to the Company's development is that it has met the demand of the public for guaranteed low cost life insurance with its "reduced premium" policies. The London Life in 1927 will write over eighty-five millions of insurance on the lives of Canadians, — an outstanding record.

This growth, unique among the larger and older established companies, has made it necessary for The London Life to build a large, modern Head Office Building.

Prior to entering its new home, The London Life occupied all or part of five different buildings in the City of London. It now has its Head Office force, numbering three hundred, all under the one roof, resulting in greatly increased efficiency and economy of operation.

The new building is equipped with the most up-to-date facilities and is carefully planned throughout for improved working conditions. With its sound-absorbing plaster, electric conduit system, Lamson inter-communicating tubes, central heating plant, ventilating system, printing plant, automatic telephone and signal system, island vault and convention hall, it is modern in every respect.

Those wishing to inspect any features of the building or its equipment are invited to call. Visitors will always be welcome.

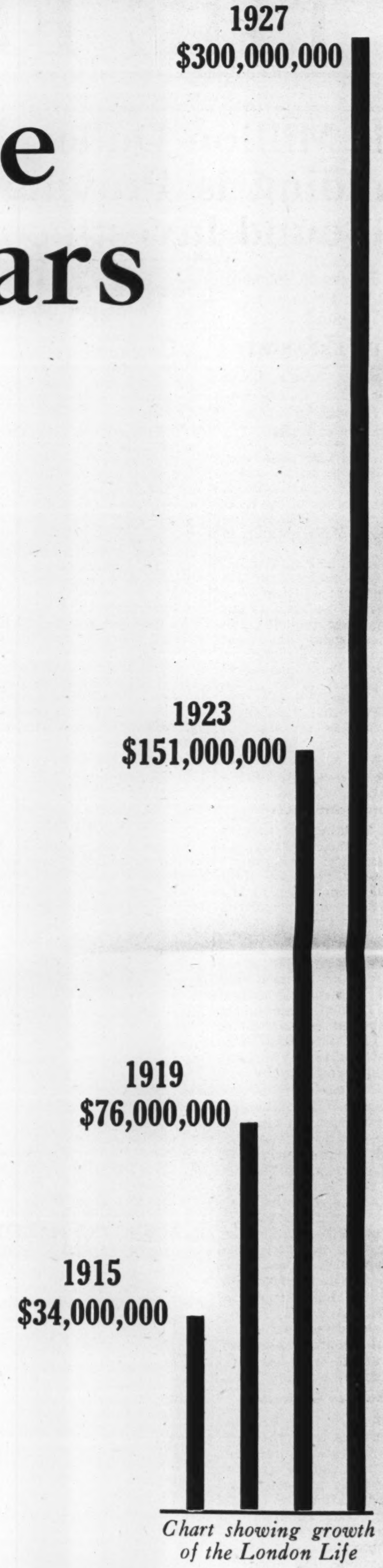


Chart showing growth of the London Life

The London Life Insurance Company

Head Office - London, Canada

Label System Ontario's Finest, Most Up-to Date Telephone Installation

Provides for Outside and Inside Communication

ALL ON ONE PHONE

Leading Executives Can Get Central Without Talking to Switchboard Operator

"The finest and most up-to-date telephone system in Ontario," are the words used by R. L. Stratton, district manager of the Bell Telephone Co., to describe the new installation that has just been completed at the London Life head office. "There's nothing better of its kind in the province and we are certainly proud of it."

Technically, the installation is known as a "private branch exchange switchboard, embodying a complete, direct inside dial," but to the ordinary layman who is more interested in results than in nomenclature, the system embodies several very unique and important features that are worthy of elaboration.

Inter-office Included

In the first place, all inter-office communication can be carried on directly from one office to the other without having to go through the switchboard, this service being achieved without the use of two phones on each desk. Secondly, all the responsible executives in the building have a direct line to central, so that they, too, except under exceptional circumstances, need not connect with their own switchboard in order to make outside calls. An additional feature of the installation, rather apart from the system itself, is the fact that by means of conduits, built into the flooring, additional telephones may be attached anywhere in the building, with hardly any effort.

Naturally this system has been designed to meet the peculiar needs of this company and, therefore, it is of interest to analyse the conditions under which the London Life carries on its business.

In the first place, the greater part of this company's business is carried on within the office, and for that reason it was imperative to have a simple but efficient system for inter-office communication. But utility has not meant the sacrifice of beauty, and by the introduction of this new system the company has avoided the unsightly system of two phones which would otherwise be necessary on each desk.

In the second place, it is the responsible executives of the company who are most actively in touch with the outside world, and, in order to facilitate this communication, about 30 or 40 telephones are connected directly to central, so that calls made over long distance, or to the rest of London, may be made with the greatest despatch.

Like Ordinary Phones

As to the actual workings of the system, the telephone instruments themselves are exactly similar to the automatic desk phones, used in cities where the automatic telephone switchboard is in use. In order to use the system, the receiver is lifted in the ordinary way and, by merely turning the dial, a direct connection may be made with any telephone in the building. By turning the number "9," about forty of the responsible men of the company are immediately connected with London central, or, if they so desire, they may dial yet another number and be connected with their own switchboard.

The beauty of the system lies in the fact that, as well as being perfectly adapted to the needs of the company, the unsightly and old-fashioned system of two telephones on each desk is entirely eliminated and, furthermore, the system is one which is automatically foolproof.

Northern Electric Built Phone System

Although the telephone system in the building is part of the Bell Telephone Company's service, the equipment was all manufactured and prepared by the Northern Electric Co., which works in conjunction with the Bell Telephone in supplying it with the equipment which serves to the best advantage the needs of that company's clients.

Click Says "Busy"

For instance, supposing the general manager is talking on his direct line to the city agency of the London Life in another part of London. According to this system, the fact that he is using the phone will be unknown to his switchboard operator. Supposing then that someone outside the building wishes to speak to the general manager. The call will come to the switchboard, but when she tries to get the G. M.'s line, instead of a dial tone, there will be a clicking sound which will warn her immediately that the line is busy. The same thing would happen if anyone inside the building tried to call a busy line. The click would automatically start and would continue until the line was clear.

Not only is privacy ensured in this way, but also there is a special device installed by means of which any trouble anywhere within the building is immediately reported at the head office, or trouble department, of the telephone company.

Signals Mistakes

Supposing any member of the organization leaves the receiver off the hook by mistake. After sixty seconds, which is the time in which any such accident should ordinarily be rectified, a white light appears on the equipment board of the telephone company, and thereupon trouble department gets in touch with the London Life switchboard and the operator is cautioned that something is wrong somewhere. Then, again, if at any time the direct lines of the company are overloaded, a blue light appears at the telephone company's office, and the operator at the London Life is cautioned that calls should be put through the switchboard instead of over the direct wires.

As far as the direct wires are concerned, the actual system necessary to operate this idea is really quite simple. Although about 40 executives have the privilege of a direct wire, there are only five direct trunk lines for the use of these executives, in addition to the trunk lines connecting the switchboard. Thus, for a comparatively small cost, the communication is procured for all the important executives of the company.

System is Flexible

Perhaps one of the most important phases of the system, which is not apparent at first glance, is its flexibility. In the first place, the system is at present on a two-digit system plan. That means that the dial for communicating with other parts of the office will accommodate as many as 99 telephones. Eventually, however, when the second and third units of the head office building have been built, there will probably be several hundred phones in use about the building. All this has been provided for, and, within a few days' notice, the whole system could be switched to accommodate three digits, which would handle as many as 999 telephones. Another angle of its flexibility is the fact that, if the City of London were to have an automatic telephone system installed, this system as now installed in the London Life, would be perfectly capable of handling the situation without any change whatsoever.

Can Adjust Load

Not only does this virtue of flexibility apply to the future growth of the system, but it also applies to the common use of the installation from day to day. No matter what emergency arises, the system can be adjusted so that the load can be evenly distributed throughout the system. If the direct calls are coming too heavily over the private lines, the switchboard operator automatically is warned to switch the calls on to the other lines, and all along the line this feature of flexibility makes the operation of the system conform in every respect to the needs of the company.

CRADLE 'PHONES IN CHIEF OFFICES ARE DISTINCTION

European Type of Instrument in Some London Life Rooms

All the way from Chicago the London Life have brought an innovation for five of their most important telephones in the new head office at London. This innovation is the very last word in telephonic design, and is the result of years of study on the part of the Northern Electric Co., which manufactures the instruments in use by the Bell Telephone Co. of Canada.

The new instrument is the "cradle" phone, and is the American adaptation of the type of instrument so well known in England and the continent.

The story behind this queer little instrument, which is used in the five chief executive offices of the new building, is an interesting one, and it will not be surprising if this little cradle were one day to become a very familiar sight in Canadian homes.

Influence of Movies

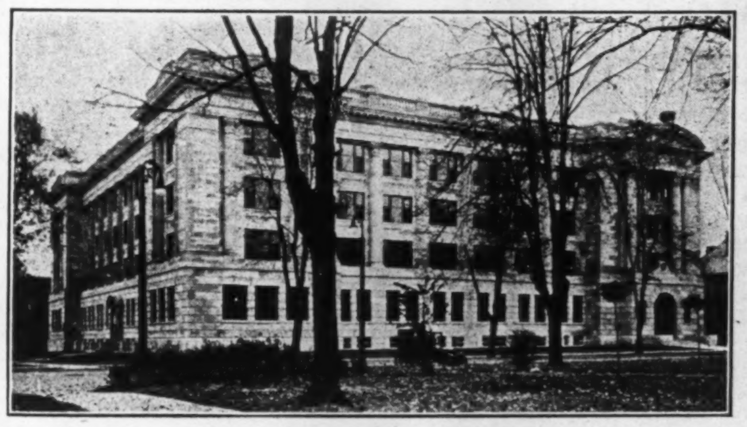
A few years ago, when the scientists and engineers of the telephone company perfected the familiar desk set, now so common in Canada, they considered that they had achieved an almost perfect instrument as far as conditions on this continent were concerned.

But times and customs change, and, with the influx of tourists from this country, and the widespread circulation of the moving-picture, to-day some of the best customers of the telephone company are demanding the "cradle" phone which they have seen and used in other lands.

Of course, the telephone companies investigated and experimented in this field, and they found that the European and British style of phone was not nearly as efficient as our own instruments, and that without a great deal of adaptation it was unsuited for conditions as they exist in our far-flung continent.

For years they experimented and, finally, a few months ago, they achieved a cradle type of telephone which they considered suitable for use in Canada and the United States.

London Building as it Looks To-day



The main entrance is at the right. Eventually the building will be double the present size with the main entrance in the centre.

One in Board Room

It is this cradle instrument that is in use in the new London Life Building, and, although telephone officials are somewhat chary about recommending this revolutionary instrument, nevertheless they do point out some ways in which this instrument is superior to our existing equipment.

For instance, in the board room of the London Life there is no board table and the cradle phone rests neatly on a small table in one corner of the room. Obviously when this phone is used, someone will walk over and pick it up to get a connection with the outside world. The user will probably be standing up, and, instead of having to lift a heavy desk set, he will pick up the little black handle which contains both mouthpiece and receiver, and will carry on his conversation with the minimum of effort.

At present the price of installing these instruments is somewhat above the regular rate for desk sets, partly because they are not being produced on a quantity basis, and partly because, if the rate were on the ordinary level, the very fact that it was something new would create a demand that would probably mean the scrapping of millions of dollars' worth of equipment now in use. The "cradle" phone can be used either as an automatic or as a manual instrument.

THE RADIATION IN THE LONDON LIFE INSURANCE COMPANY NEW BUILDING IS THE PRODUCT OF THE

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LONDON LIFE INSURANCE CO. BUILDING

Central Heating Plant Planned to Meet Needs as Company Expands

At Present Time Excess Heat is Temporarily Sold

STEAM, HOT WATER

Combination System, with Temperature Control, Gives Excellent Service

Far down in the subterranean depths of the boiler-room annex of the new London Life office there lie two huge water boilers which not only supply warmth and comfort to the head office of the company, but also act as a temporary central heating plant for some half a dozen churches and buildings in adjacent parts of the city.

Perhaps to some people, boilers, coal-bins and piping are prosaic and uninteresting, but there is romance in even these inanimate objects, and to the business man who would fain learn what makes for health and happiness in a heating system, there is much of fascination in the heart-beats of a central-heating plant.

Two Features of Plant

There are really two distinct parts to this pulsating giant of the underworld. There is the steam plant which supplies steam for the adjacent buildings, and there is the forced hot-water heating system which supplies the heat for the London Life office.

Perhaps one of the greatest advantages of the fact that the London Life Building is heated by hot water, rather than by steam, lies in the fact that hot water is considered an ideal heat as far as health and comfort are concerned. For instance, there is no possible opportunity for noise in a water-heated building, and then, again, the humidity of heat that has been warmed by hot water is considered more suitable for the human body than the dryer heat that is generated by steam. Another unique advantage of this particular installation is the fact that every pound of steam that is generated is metered before it does its work, so that an accurate record of costs, essential to a central station such as this, can be obtained. Although the initial cost of such a system is somewhat higher than a steam installation, nevertheless the actual cost of operation is considered much more economical.

Starting now at the point where the coal enters the building, every provision both for present and future efficiency has been made, the very best of materials have been used, and the whole scheme planned on a scale and in a way that should give the very best results for many years to come. Even the engines and control system are isolated from the boiler room in the basement for the sake of cleanliness, but all the equipment (including the up-feed water system) is housed compactly in one part of the building under the immediate and direct control of one engineer.

Automatical Feed

The coal bins themselves are elevated on a platform several feet above the hopper which automatically feeds the boilers. Thus, by simply wheeling the coal some twenty feet, it is easily dropped into the hopper and thereupon fed automatically to the twin boilers.

These boilers are rated at 200 lb. each and are of the tube variety. They generate the high-pressure steam, which is first brought to a header and metered, and then distributed either as steam to the neighboring buildings, or sent through to the converters to operate the forced hot-water system for heating the London Life.

This hot water is forced through the building by means of circulating pumps which are installed in duplicate in case of emergency. In order to achieve economy in the system, the installation has been made flexible so that the steam which drives the circulating pumps may be used directly to heat the water, or else the water may be heated indirectly from the exhaust of the pumps. Normally all this exhaust is used to heat the water, but the steam can be used directly if desired.

Use Wrought Iron

Even the plumbing throughout the building is of a very high calibre, all the piping in the general system being of genuine wrought iron instead of the standard steel pipe that is commonly used. The expense of this installation is supposed to be more than offset by the fact that this type of pipe has a far longer life than the ordinary class of plumbing. All the hot-water pipes are made of brass for the same purpose—so that they will withstand the wear of water and last longer.

The installation of the entire system has been in charge of Bennett and Wright, who also installed the ice-water system which circulates ice and filtered water to every floor. Furthermore, the heating system is tied up with the ventilating apparatus, which automatically washes and changes the air throughout the building.

Automatic Control

The control of the heating system is automatic, the temperature regulation being controlled by thermostats which automatically shut off whenever the temperature reaches a certain point.

According to the plans on which the whole heating system was installed, the furnaces and entire heating equipment are built to serve the needs of the company for many years to come. At present the surplus heat generated by the system is sold at cost to various buildings in the neighborhood, so that the overhead cost of operating a large plant has been reduced to the minimum. Eventually, however, the plant will be required to heat the additional units as they are added to the new head office, but practically no extra expense will have to be incurred, and the future additions that may be made from time to time will all be provided for.

EACH EMPLOYEE HAD MOVING INSTRUCTIONS

Document Set Forth Regulations Covering Remotest Detail of Procedure

Nothing was left to chance in connection with that magnificent building which houses the staff of the London Life Insurance Company, in London, Ontario. Even the moving from the old building to the new was done with such clockwork precision that everything went off without a hitch. Pages of printed instructions were prepared for this task, and the minutest detail was given due thought, and attention was drawn to it in the instructions for moving.

For instance, on Friday, September 2, contents of the Annex were to be transferred to the new building, and, as the staff bulletin reads: "During the morning of that day, the necessary packing will be done. The regular Friday work will have to be done Thursday evening and Saturday morning. All girls in the Annex whose help has not been asked are requested to remain away from the office Friday afternoon." And everything had to be moved in time to allow the usual routine work to be carried on on Saturday morning in their new abode.

Tagged All Furniture

Every member of the staff gave a willing hand and all the men were asked to be on hand to assist with such work as would be assigned to them. Each piece of furniture was tagged and numbered, and the floor plans actually showed these numbers to indicate where the various articles were to go. Such minute things as inkwells were given due attention, for they were collected by members of each department and packed in properly labelled boxes.

Typewriters were among the last of the equipment to be moved. They were collected in one group in each department and each tagged with the department number. The operator's name was written on the reverse side of the tag, and margin stops had to be moved to centre to prevent carriage sliding.

Minute instructions were given also regarding desk trays, blotter pads, coat-trees, waste paper baskets to ensure their safe arrival at their new destination.

Tracing Documents

Of course, strict attention had to be paid to all documents and a strong effort was made to get these back in their files as quickly as possible, and they were all in their place and in order at the time stipulated. Each unit of a sectional bookcase or cabinet carried a tag bearing a number. Even different colors were used on tags to designate the different sections of the new building.

A feature of the letter of instructions that went to each member of the staff was a series of plans of each floor.

Chutes Carry Waste to Dump in Basement

Even in such a small thing as the provision of cupboards on each floor, for the use of the caretaking or maintenance staff, the architects have given careful thought to the promotion of efficiency. As a result, the cupboards where brooms, dusters, etc., are stored on each floor are stacked one upon the other from the basement to the top floor.

By so arranging the cupboards — which are really small rooms — it has been possible to have a dust chute and a paper chute to the basement with openings in each maintenance room. In the basement, the baling press for paper is adjacent to the paper chute. It is not necessary to truck bundles of waste paper down the elevators.

London Life Has Doubled Business Every Four Years

(Continued from page 33)

nothing more or less than amazing.

Double Each Four Years

Just from the point of view of cold statistics, the growth of life insurance in force with the company has approximately doubled every four years, and more recently the growth has been even more rapid than that. The $9,000,000 of business in force in 1905, is now approaching the $300,000,000 mark, and at the end of last year, stood at $251,000,000. This business is divided between ordinary and industrial insurance, and for the past two years has included a young and thriving business in group insurance.

Just what this growth has meant to the head office of the company at London, can easily be imagined, when it is realized that the ratio of head office staff to business in force is usually estimated at one to a million. In other words, for every million dollars of business in force, there should be at least one member on the head office staff. In order to accommodate this steady growth of clerical and executive staff, the company have made no less than seven moves in the past twenty years, the final act being the removal to the new head office building, which is the first unit in a much larger head office scheme, and which will be formally opened by the company's annual convention in February next.

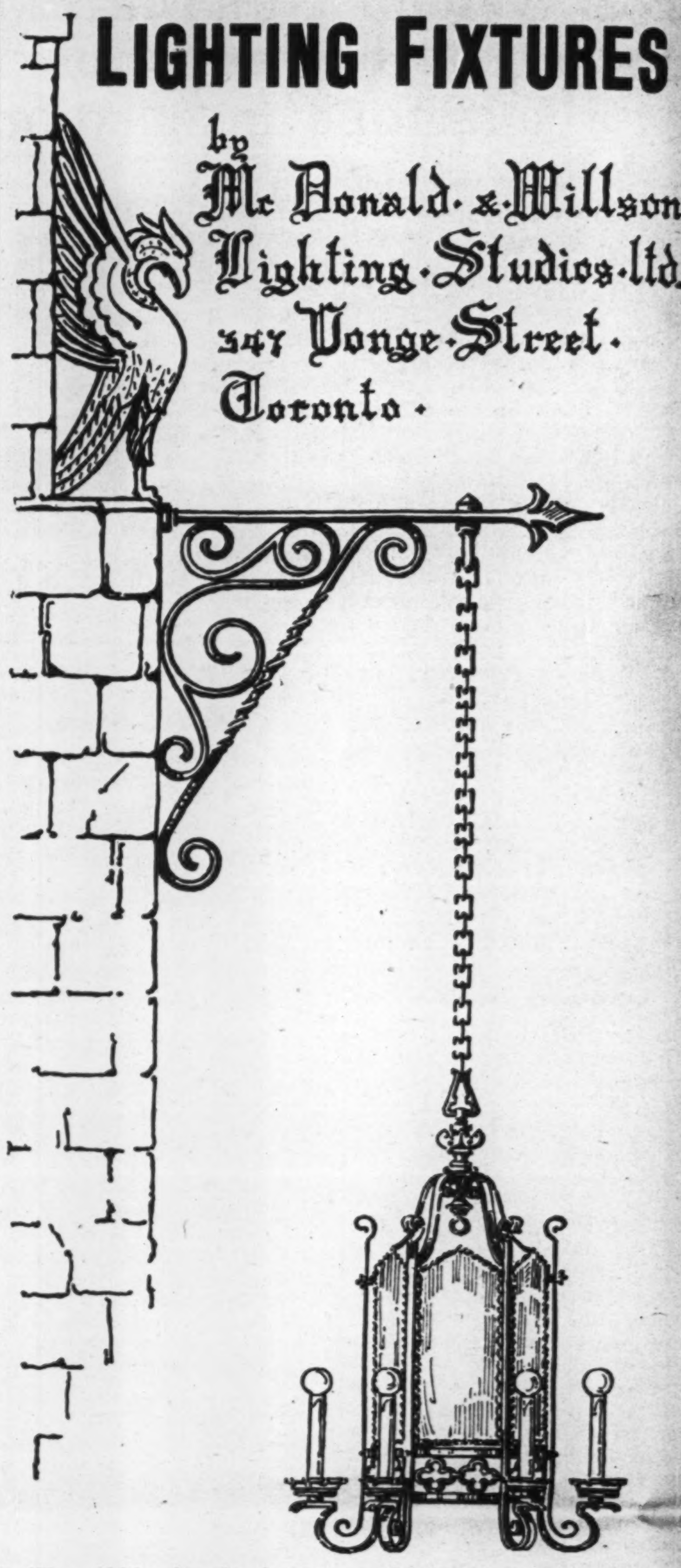
Coincide With Bonuses

Taking chronologically the various stages of the company's growth, it is an interesting fact, that every move into larger and more suitable quarters, has been associated with a distribution of benefits or profits to policyholders. Starting from the year 1906, when the company moved into its own head office building, the record shows that two benefits were given to policyholders, by way of stronger reserves and by an increase in the cash values on reserve dividend policies and that as a result of increased business, the company in 1911, found it necessary to double its floor space by the extension of the head office building.

In 1917, after six profit-sharing declarations had been made to policyholders, by way of increased dividends, reduced premiums, and a higher reserve over a period of years, the head office was further enlarged by the establishment of a separate city agency office in London in 1917. Similarly, the last ten years have been but a repetition of this early story. In 1920, premiums were reduced on the company's non-participating policies, and an "annex" was leased adjacent to the head office, in order to give further accommodation. In 1923, four important distributions were made, by means of new and cheaper policies, and by an increase of cash values, and in 1924, a floor of the Brickenden building was leased by way of further relieving the pressure on the sorely taxed head office.

The years 1925 and 1926 were a further repetition of the events of the past and the introduction of new low-price policies and the application of profit participation to all paid-up policies, presaged the centralization of the scattered head office fragments, into the new structure opposite Victoria Park.

This year again the scale of dividends to policyholders was substantially increased, making a new high record for dividend payments and low net cost.



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75 Dictaphones Speed Stenographic Service for Company Executives

Machines Are Standard Equipment in New Building

CENTRAL TYPEWRITING

Each Executive, Though, Has Secretary to Transcribe His Own Rush Cylinders

The installation of Dictaphone equipment at the head office building of the London Life, is interesting from several angles: firstly, in its completeness; secondly, in the quantity of machines; and, thirdly, in the efficiency of the work.

The Dictaphone has been used by this wide-awake insurance company for a number of years, the original installation being placed in the actuarial department, consisting of two dictators, a transcriber and a shaver, and this has gradually grown until to-day approximately 75 machines are used throughout the organization.

Practically every executive is a personal user, having a Dictaphone at his desk and a transcriber for his secretary, not necessarily for the volume of work that he does, but as an "added right arm" or "thought-trap" for the recording of ideas, memoranda, appointment reminders, instructions to associates, minutes of conferences, etc. It is a work organizer, a telephone recorder, a management instrument, a time conserver, and a step saver.

Instructions Dictated

Each executive head has his own secretary. This is more or less for immediate transcription of work, taking care of interviews of callers, and a certain amount of secretarial record work, in addition to the correspondence and instructions that are given her through the Dictaphone, for work to be done by herself or subordinates for her chief.

The general correspondence of the various departments, such as investment, claims, policy, ordinary, industrial, medical, reinstatements, etc., is sent to a central transcribing bureau where a number of stenographers, under a supervisor, turn out a large volume of work each day.

For speed in sending dictated cylinders to this department, the Lamson tube system is used, and a container holding two cylinders is sent through this tube to a central receiving station (mailing department) and from there transmitted to the transcribing bureau. In return, the completed work is sent back by the same method to the department for signature by the dictator.

From five to ten letters, of the average business length, are indicated on each cylinder surface, and this cylinder is placed on a shaving machine, after the matter has been transcribed, and re-surfaced. This is done about one hundred times before the cylinder is too thin for use. The approximate cost in the average office is about the same as that spent for note books and pencils, although in large offices it is readily proved that cylinder-cost is less.

LONDON LIFE WRITES GROUP INSURANCE

Carries Over $13,000,000 of That Business After Three Years

Fifty-three years of non-participating insurance.

Forty-one years of participating insurance.

Forty-four years of industrial insurance.

Three years of group insurance.

If the London Life makes the same progress in group insurance in the next quarter-century that it has made in the past in other fields, its position as one of the leading Canadian life insurance companies should be well maintained.

In 1924, before any definite move had been made to establish a group insurance branch in the company, there was only $731,000 of group business in force. At the end of 1927, after three years of effort along these lines, the company will have between $13,000,000 and $14,000,000 of business in force, and the 1927 business alone will run over $5,000,000.

The business is now being written in all parts of Canada, and since 1926 the London Life has been employing six full-time group men who are devoting their entire attention to developing this class of business throughout Canada. In addition to the full-time men, the company has nearly 50 specialists who are well-equipped to sell the group idea throughout the country, but who are as yet only devoting part of their time to this work.

Pure, Properly Humidified, Is All Air in Big Building

Ventilating Equipment Provides Reliable Supply of Air of Just Right Conditions for Good Work

"And now, come and see our washing machine."

With this curt but cheery invitation, a visitor to the new London Life head office building, is shepherded almost to the very roof of the building and is introduced to a huge conglomeration of machinery which looks more like a boiler plant than a washing machine.

All of a sudden, when just as you have despaired of ever seeing any clothes, or clothes pins, or any other of the appurtenances commonly associated with washing, your guide and counsellor pops open a huge galvanized door and a sweeping current of air nearly lifts you off your feet. You peep in at the source of the blast, and lo and behold you are greeted on the one hand by a gentle spray of water playing softly upon this current of air, and on the other hand, by a literal sheet of water pouring right across the opening and apparently barring the air from any further communication with this deceptive machine.

It's Air It Washes

By this time, of course, the deception becomes apparent and you realize (after a few gentle hints from your guide) that the washing machine washes air and not clothes, as you in all innocence had at first suspected.

Yes, modern science as applied to ventilating devices, leaves nothing to chance, and in fact, you are better off in the new London Life building if you keep your window closed and let the washing machine look after your oxygen.

Every room in the building comes under the powerful sway of this ventilating system, and by this means not only is the air in every room changed at regular intervals, but also that air is kept perfectly pure. Correct humidity is maintained at all times. The powerful fans, operated by hydro-electric dynamos, force the air to and from all parts of the building. At the same time the washing machine ensures that the air shall be pure and germ-free, and that it will at all times contain just the amount of moisture that is prerequisite for ideal working conditions.

How Washing is Done

The actual process is very simple, the air being forced through three rows of heat coils that may be turned on or off so as to keep the air at precisely the same temperature. This air may come from either of two sources, and by the simple expedient of altering a draft, either fresh air may be brought in from out of doors, or the air that has been circulating in the building may be re-directed through the washer and circulated again into the building. Thus, if cold air is being used from outside, it would be necessary to use all three heating coils to ensure an evenly heated flow to all parts. These coils are automatically controlled, so that once the desired temperature is fixed by the thermostats, the heaters take care of the rest.

After the air passes the heating coils it is forced immediately into the fine water spray that attracted attention at our first introduction to the machine. No sooner has it successfully passed through this barrage than it encounters the solid wall of water which does the serious work of washing and humidifying the air. This water is not all wasted, for after it has done its work it is again pumped aloft and pours down again to wash yet another blast of atmosphere. In the event that the air is correctly humidified, the simple turn of a valve controls the washing of the water, and the air can be forced through with, or without this washing process. Another important feature of the equipment is the fact that this humidifier is also automatic in its operation, so that irrespective of anything else, there is assurance that the air will always be kept at the right humidity.

Perhaps one of the most interesting features of the equipment as installed in the new building is the fact that any room in the building may be ventilated or purified at will, irrespective of the rest of the building. The importance of this feature cannot be overestimated when it is realized that in a room such as the London Life auditorium there will probably be as many as 750 people there at a time, or that in the bowling alleys, in the basement, a long low room, will be crowded night after night by a great number of exercising, athletically-inclined men and women. By simply adjusting the drafts, the ventilating system may be concentrated upon any part of the building, and irrespective of the conditions or size of the room, the same even and healthful atmosphere will prevail at all times.

Ventilating fans were supplied by Canadian Blower and Forge Company, Kitchener.

LIGHTS IN OFFICES ARE ALWAYS CLEAN

Novel Style of Globe Assures Good Light Continuously

Neither by day nor yet by night will the eye of the worker grow weary at the new London Life offices.

Snap the neat ebony button as you enter one of the offices by night and the room will be gently lit by lighting equipment that has entirely eliminated the glare and harshness that often characterizes the lights of a big building.

With the exception of special lighting and fixtures in the auditorium, the rotunda, and in one or two of the most important offices, the entire building is lit by the Westinghouse Solux unit, which is the last word in restful and efficient lighting equipment.

But perhaps the most unique feature of this equipment is its cleanliness. The ease with which this light may be cleaned will surely delight the hearts of all fastidious housekeepers.

Suspended from the bottom of the globe is a neat tassel that looks as if it might easily be silk, but which is in reality of metal composition. This metal tassel is attached to a neat celluloid disc, which is about four inches in diameter and which constitutes the base of the fixture. Thus, by the simple expedient of pressing this little disc, the whole bottom of the light is removed and the fixture can be easily cleaned or the bulb removed without the slightest effort.

Chosen for The New London Life Building

R-W "IDEAL" Elevator Door Fixtures

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Linking Up Your Organization

RAPID communication between departments is essential in every sizable business if administrative expense is to be held down to minimum.

A P.A.X. System will enable the members of your organization to keep constantly in contact with each other. Two quick turns of the dial, and they are connected directly with their colleagues. No need for an operator— the exchange board is automatic.

The P. A. X. Inter-communicating telephone system installed in the new building of the London Life Insurance Company, Limited, by the Bell Telephone Company of Canada, Limited, was manufactured and supplied by Northern Electric.

Northern Electric sales engineers will gladly discuss with you the time-saving possibilities of a P.A.X. System in your business. Call upon them at any branch, any time.

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CONDUIT SYSTEM CONCEALS WIRING BENEATH FLOORS

No Need to Rip Up Building to Make Connections

PHONE WIRES ALSO

Electrical, Signal and Telephone Wires Are All Enclosed in Metal Conduits

Foresight is the keynote of the designers of the London Life Building, and this is not more adequately exemplified than in the conduit scheme, built on what is known as the Walker steel conduit or underfloor system.

Traversing under the floors is a veritable network of conduits specially laid down to house the constantly increasing number of wires that will be needed as the business of the London Life Insurance Company expands from year to year. It is possible to increase the number of electric lights in a room, to make extra connections for coupling up dictaphone attachments, to instal desk fans or other appliances of an electrical nature, to move telephones, etc., without tearing up floors, breaking down walls, or exposing wires tacked on a wall.

The conduits are planned so that there is a connection box every thirty inches lengthwise and every twenty-four inches crosswise.

Simplicity Itself

When it is desired to add an electrical connection, change the location of a signal chime on the call system, or add a telephone, it is only necessary to bore a hole at a spot that can be instantly located by measurement, and an opening in the conduit system is found. If the wires at present installed are in time all connected up, further wires can be handled through the conduits, as there are openings at specified intervals. These are covered with brass plates that screw into the floor and can be easily removed.

Telephones on the desks are not attached to a wall, but to the conduit immediately beneath the floor. Similarly with dictaphones and desk lamps. There are no wires to trip over in this building.

With such a scheme as is installed in the London Life Building, there is no occasion for the ripping up of floors, knocking holes in walls and ceilings, and the running of wires in unsightly medley criss-cross down walls and along floors.

Eight Miles of Wire

Another advantage, which will be obvious even to the casual observer, is that faults and repairs can be made with astonishing celerity and with the least amount of trouble. Practically any part of the 40,000 feet, or nearly eight miles, of wiring, can be got at by merely tapping one or more of the duct boxes placed at stated intervals in the various rooms and corridors.

It may be interesting to point out what has been done to obviate the holes in the floor looking unsightly, becoming obstructions or affecting the artistic appearance of the rooms. First of all these outlet extensions are closed with water-tight caps so formed that they can be filled with cement. Then the little boxes are equipped with brass-covered plates, and, in order that they may fit in with the general scheme of floor covering, these actual round plates or discs are made so that a piece of linoleum, similar to that covering the rest of the floor, can be let-in and remain flush with the lino. Thus it will be seen that everything possible is done to avoid breaking up the harmony of the general decorations and artistic settings of the rooms in this magnificent building.

Not only is the idea good in theory, but it has been found in actual practice to work satisfactorily, as was anticipated.

Only a short while ago it was found that in one of the offices of this building there was not sufficient lighting. Here was an opportunity which all were waiting for to put into practice what had been worked out in theory. Within an incredibly short space of time the little disc let into the floor was raised, revealing a duct-box, the necessary wires were drawn out, connections were made, and the extra lights installed, at no inconvenience to anyone.

Incidentally the system has been built with conduits large enough to care for the ultimate needs of the company. Conduits were supplied by Canadian General Electric Company and installed by A. N. Knowles Electrical Construction Company.

Four Bowling Alleys, Spacious Club Rooms Build Company Spirit

To what extent should a company look after the recreational and social welfare of its employees? The modern, enlightened tendency is certainly to go much further than the business man of a generation ago would have considered either profitable or advisable.

The London Life, in its new building, has made provision for the development of its employees' lives along other than strictly business lines. Impetus is given to the literary and social growth. At the same time, healthy recreation is provided to keep the body as well as the mind in trim.

Build Up Comradeship

By the investment of capital in club rooms, bowling alleys, etc., the company hopes to further strengthen the spirit of "bon cameraderie" that is apparent in the London Life family of workers; to keep men and women on the staff interested in their jobs and alert to do their work well; to enable the employees to reap the dividends of the investment, in the form of more fun in life, at the same time that the company itself is benefiting from increased productive power of each worker, from the reduction of "turnover" in staff, from the ability to select men and women for their jobs from a long waiting list of people who would like the opportunity of working for the London Life.

Club Rooms Provided

Club rooms are provided for men and women. The women's club room is in an adjacent building, but the men's club room has been built into the new structure. It is a fine, airy and well-lighted room on the top floor. A billiard table has been provided, as well as many comfortable chairs, tables, rugs, a piano, etc. There will shortly be a radio set installed, but this is being purchased by the men themselves, who are taking up a collection of a few cents from each employee.

Men on the staff utilize the club room during the noon hour and after 4.30 during the day. It is, of course, not available during working hours. It is kept open in the evening for the men, and they may bring their friends in for a game of bridge, or a quiet chat, if they wish. The men's club also uses the room for various meetings.

Four Bowling Alleys

In the basement four bowling alleys have been provided. These are modern, well-equipped alleys, properly fitted up for the real sport. The alleys are open from 4.30 until late in the evening, and it is expected that they will shortly be opened up during the noon hour as well. Ladies as well as men bowl.

The bowling alleys were installed by the Eastern Billiard Table and Supply Company, of Montreal, which has made a specialty of equipping business buildings and private clubs and private homes with billiard tables and bowling alleys of refined character.

Close to the bowling alleys and also handy to the men's cloak room are shower baths, four in number, which give the men on the staff an opportunity for a freshening bath after a brisk game of bowls.

Get Staff Acquainted

"Bowling provides healthful exercise in good surroundings," said an official of London Life, discussing the installation of these alleys in the new building. "The bowling alleys and club room enable the members of the staff to get acquainted and make them feel more and more that they are part of the London Life family. With our present staff, it is impossible for everyone to know all the others in the building. Our staff is growing rapidly, as our business increases and the spirit of friendliness among the different people in the organization will become increasingly difficult to foster. We expect our recreational facilities to help us with that job."

Walls Range from Marble to Hard, Painted Plaster

Walls! Walls! Walls!

Every office building has walls of different varieties and surrounding different kinds of rooms, and there is a special wall surface that is most suitable for each location. Thus throughout the London Life Building we find everything, from marble walls to hard plaster walls, each one in its proper place.

The walls of the main rotunda are of Steinway marble, imported directly from Italy. The marble is green and strikingly beautiful. It is understood that the London Life is the only building in Canada with this marble, which is difficult to work.

Canadian Marble in Halls

The corridors and stair walls are covered to a 3 ft. 6 ins. height with Canadian Bancroft marble. Above that, Caen stone plaster gives an effect in harmony.

The private office walls are of hard plaster, except where the presence of noisy office machinery has made it advisable to drop acoustically-treated plaster from the ceilings.

The plaster walls are painted. Careful attention was given to the selection of colors, and extensive tests of different shades were made before a final choice was made. Finally, a variety of buff was chosen as the standard for the building, a buff that carries none of the ordinary brilliant yellow glare with it. Below the wainscoting, grey is the predominant tone. The walls of the executive committee room and the general manager's office are in oyster grey.

The paint was supplied by Dominion Paint Works, of the Border Cities.

Other walls range from solid mahogany in the board room to painted brick in some of the basement rooms.

CHILLED WATER SYSTEM OBVIATES MUCH CONFUSION

Cooled drinking water is provided for the staff in the new building.

Water coming into the fountain system is chilled in the basement by means of refrigerating equipment that has been installed at a modest outlay and is then piped to different outlets on every floor. At each outlet a waist-high drinking fountain of the sanitary type is installed.

Piping cool water throughout an office building may sound extravagant. As a matter of fact, it is a very shrewd investment that pays high dividends. It eliminates entirely the expense and annoyance of bottled drinking water, ice, cups, etc. Once the original investment is made, a supply of cool drinking water for the staff, available every month in the year, is provided at small annual cost.

The system more than pays for itself in another way. With cool drinking water in every department, it is not necessary for members of the staff to take long walks to get a drink of water. Interruptions of this kind slow up business, for they have a tendency to become somewhat prolonged by gossip and idling.

The chilled water system was provided by the Canadian Ice Machine Company, Toronto.

PROPER VENTILATION ASSURES COMFORT & EFFICIENCY
IN
Stores, Offices, Public Buildings

Increases production and profits. Contributes to the health of employees. Builds good-will for your establishment.

LONDON LIFE INSURANCE CO.

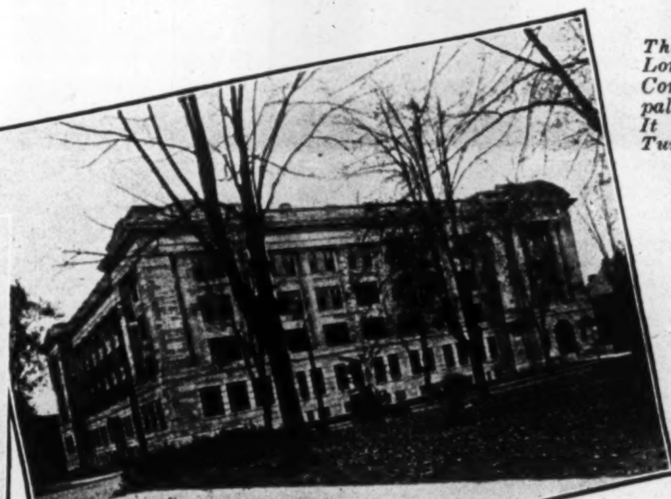
Has installed our ventilation system, also Sun Life Assurance Co., Montreal, and Mutual Life Assurance Co., Waterloo.

Our engineering department can give you a background of experience in all ventilation problems.

CANADIAN BLOWER & FORGE CO., LTD.
KITCHENER, ONT., CANADA
Toronto Montreal Calgary Vancouver Winnipeg

Turnbull - Westinghouse designed and installed the elevator equipment in the new Ottawa Electric Building, a structure of outstanding merit.

OTTAWA ELECTRIC BUILDING
WESTINGHOUSE



The new home of the London Life Insurance Company, London, is palatial in every detail. It is equipped with Turnbull-Westinghouse Elevators.

Passenger-Safe Elevators are Installed in These Modern Buildings

SAFETY — **The First Consideration,** is the paramount feature of the newest Turnbull-Westinghouse passenger elevator equipment. In the Ottawa Electric Building installation the elevator **always** stops level with the floor — automatically. Passengers can't trip. In the London Life Building the equipment is of the type known as variable voltage control—which makes possible extreme smoothness of starting and stopping.

CAPACITY — **Increased** — Passengers enter and leave quicker. In the floor-landing type the operator saves the time formerly necessary to level the car. In the London Life Building type the smoothness of starting and stopping make higher speeds possible. Both types make more trips in a given time.

SPEED — **Brings Economy** in operation — more service to busy passengers — makes offices more valuable.

THE TURNBULL ELEVATOR COMPANY LIMITED TORONTO

CANADIAN Westinghouse COMPANY LIMITED
GENERAL OFFICES HAMILTON

GEARLESS TRACTION ELEVATORS

Spacious Auditorium Fills Need for Hall for Staff Conferences

Social and Community Activities Also Kept in Mind

SEATING FOR 750

Completely Equipped Stage, with Full Electrical Equipment, is Striking Feature

Built into the new building, as an integral part, is a magnificent and spacious auditorium. This occupies a large part of the top floor and will seat 750 persons in solid comfort.

Such an auditorium is a practical necessity in the head office of a large insurance company. Conventions of field men are part of the yearly work; these are most helpful when carried out in the atmosphere of the company's activities. But while this is the most striking use for the new building, it is by no means the only one. The staff gathers in the auditorium when a new question of office or company policy is to be explained. The executive can address the entire organization at one sitting. The London Life Men's Club and the London Life Women's Club hold meetings, give plays, stage dances and use the auditorium in other ways as a social centre. The auditorium is a great builder of "esprit de corps," that vital spark that makes business success certain. Conventions of life underwriters will be invited to use the hall.

Most Valuable Asset

When Edward E. Reid, general manager of the London Life, visited various insurance company head offices in the United States, he was told that auditoriums such as this one had been found to be among the most helpful features when they were provided, and their lack one of the most serious omissions.

The auditorium will not be generally used as a public hall. The company can hardly rent it, for that would involve municipal licenses, etc. But its use will not be denied to worthy causes, winning the approval of the directorate, and thus in some small measure the auditorium is likely to become a civic centre in London.

Beautiful Room

The hall itself is beautifully designed. Lighting, decorations, seating arrangements, etc., have been carefully planned and well executed. and walls are acoustically treated. There is light on two sides, and the plate-glass windows can be completely covered by draw-curtains.

No expense seems to have been spared to bring all fittings up-to-date. This is specially noticeable in connection with the electric lighting. Cleverly-arranged "cove lighting" high up on the walls, with concealed lamps and mirror reflectors, throw the light to the ceiling and diffuse it about the room. The lights are on continuous dimmers and can be adjusted to any strength.

The wonderful quality of the lighting in this auditorium certainly enhances the interest of the audience at whatever meeting is going on. There is always just the right volume of light diffused in the room in such a way that, while a person may wonder where the light is coming from, there is a total absence of glare and shadow.

Only Wooden Floor

An interesting feature of the auditorium is the fact that it has the only wood floor in the building. It is of hardwood, 13/16ths of an inch thick, specially adaptable as a fine dancing floor.

The hall itself can accommodate 750 people, and the specially selected seats are decidedly comfortable. There is a completely equipped stage, where plays can be put on. Dressing rooms flank either side of the stage and arrangements are being made for the installation of scenery. Footlights are fully professional, with a complete switchboard. Through dimmers the lighting on the stage is adaptable to any degree of intensity. At the rear of the auditorium is a fireproof room specially fitted up for projecting moving pictures.

On Job at 8.30; Go Home at 4.30

Early rising is the rule at the new head office of the London Life. Everybody, from the general manager down to the humblest member of the staff, reports at 8.30 a.m., so that the traveler from a distant city who stays in bed until 9.30, for fear of arriving too early, will probably find that his prospective clients are just about ready to go to lunch when he arrives.

But wait a minute. **Everyone goes home at 4.30!**

CAN SEE AROUND VAULT BY MEANS OF REFLECTORS

Immense Safe Holds Millions in Negotiable Securities

Walk out of the investment department of the new head office of the London Life Insurance Company and you cannot miss a stairway that leads down directly into a blank wall. If you are sufficiently curious and walk down this stairway, you will not get much farther than this blank wall, for your progress will be blocked on the left by a shining barrier of steel bars, about two inches in diameter. Beyond those bars there lies the company's vault, which, in keeping with the rest of the equipment of the building, is just about the last word in its particular sphere.

Perhaps it is a bit misleading to say that the vault is directly behind the shining bars. The bars themselves look out into a nice bar room, about the size of an ordinary office, and in the centre of this room there is a very nice piece of furniture that does the double duty of a desk and a table. Around the desk there are several chairs, so that, altogether, the room has a very comfortable appearance, and anyone standing on the stairway behind the bars feels very much as if the tables were turned, and that he, and not the desk, were securely locked up.

Clipping Room

If vaults went in for high-sounding names, this nice-looking room would undoubtedly be called the foyer, but, as a matter of fact, the term in common use among ordinary men is "clipping room," for around this desk the officials of the insurance company meet regularly in solemn conclave to clip from some $15,000,000 worth of securities the interest and dividend coupons that continually fall due.

Before going into the clipping room and investigating the great vault which lies beyond, it may be worth while to look through the bars at a tall mirror which stands at the end of a passageway, which skirts one side of the vault. At first glance the mirror appears to be just an ordinary sort of affair, but, after a moment or so of investigation, you realize that, contrary to expectations, there is no reflection of yourself to stare back at you from the glass.

Forms Island

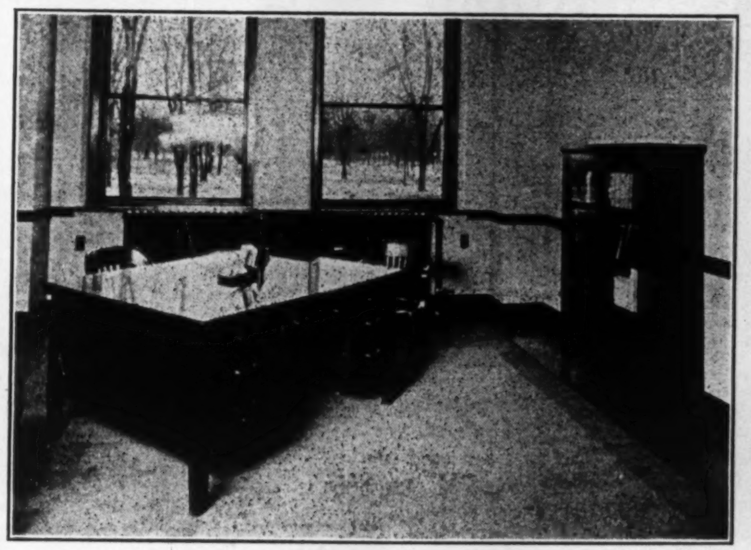
This phenomena may be somewhat puzzling at first, but if anyone were suddenly to start walking around the vault, the mystery would easily be explained.

As a matter of fact, the vault is really built on a little island all its own. The clipping room forms the front space that separates this island from the mainland, and all around the other three sides there is a passageway about three feet in width, which is in turn cut off from the clipping room by means of two steel grills in the form of doors.

Coming down the stairway into the vault room, one has only to stand with his face toward the mirror in order to detect immediately any person or object in any of the three passageways surrounding the vault. In other words, by an ingenious system of "mirrors within mirrors," the whole three passageways are straightened out so that they appear to the naked eye as one long passageway.

As for the vault itself, the whole structure(as well as the protective devices on four other record vaults in different parts of the building) was installed by the J. &. J. Taylor Co., Ltd., of Toronto. Here, again, as in other parts of the building, the vault equipment which is provided is much bigger than is actually needed at the present time, but, with an eye to the future, the vault is designed to take care of the needs of the company for many years to come.

Private Offices Modernly Equipped



A typical private office; not luxurious, but properly equipped.

The outside of the vault is of shining steel about 1 inch in thickness, and next to that comes a solid wall of concrete some 2½ feet through. The walls, ceiling and floor, are all of the same construction, and, as already mentioned, the vault itself is set in a little island entirely separate from the rest of the building. On the inside of the vault there are three plates of steel, attached in layers so that the grain of each runs a different way and affords a three-fold protection against drilling.

At the front of the vault are two doors, one of which is the regular door, extending the full length of the vault, and the other is an emergency door which is perched half-way up the vault and is only used in case some accident should prevent the big door from being opened. Two entirely separate combinations are required to open each door and, of course, no one man in the organization is allowed to hold the combination to both locks. The combinations are held in threes; that is to say, three executive officers know one combination, and three other executives know the other. Two men are, therefore, necessary to open the vault itself.

Once inside the vault there are no less than four chests for holding the company's property and securities. On each of these chests there are two more combinations which must be opened, and, in addition, the vault contains six document drawers which are similarly controlled by protective devices.

In case anyone should lock themselves in this modern Ali Baba's cave, the vault is protected by means of a signal system which gives direct access to the police station and also to the head office of the telephone company.

Mortgages are Separate

This vault is not the only protective device in the building. In it are placed only the bearer bonds and other negotiable instruments of the company, but neither cash nor mortgages are entrusted to its confines. The mortgages are all kept in a special room constructed for the purpose and readily accessible to the investment department Cash, records and other valuable documents are all kept in one or other of five small vaults located on each floor of the building

What's Wrong With Shorthand?

Secretaries Say:—

"Those awful waits while he chats over the phone."

"Hours wasted while he's in conference."

"No one else can read my notes."

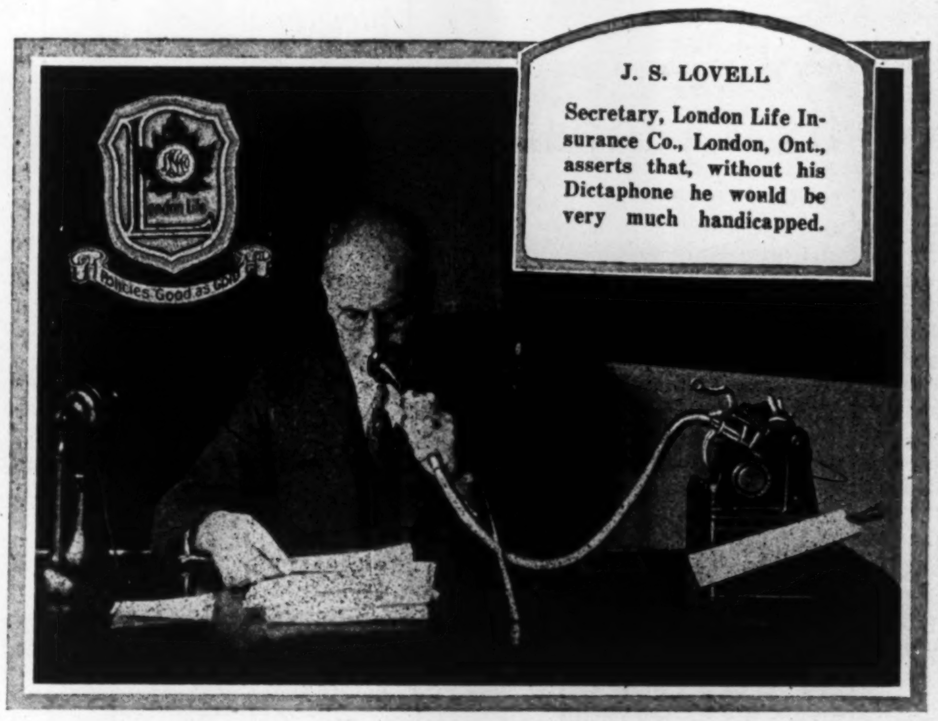
"These endless notes make me dizzy."

"I'm sure he said that, but . . . ."

"Cold notes are maddening."

"No time for real secretarial work."

That's enough! I'll show him this trial offer right away.



J. S. LOVELL

Secretary, London Life Insurance Co., London, Ont., asserts that, without his Dictaphone he would be very much handicapped.

What's Wrong With Shorthand?

Executives Say:—

"I'm forced to cut dictation short."

"If she could only take it as fast as I think."

"She can't help me with other things."

"If I could only dictate while it's fresh in my mind."

"Pshaw! She's gone. I'll have to wait till tomorrow."

"I had all this clear in my mind last night."

That's enough! I'll send in the coupon below on general principles.

"How an Hour is Better Than a Day!"

"60 minutes *alone* with my Dictaphone yields more effective work than a day of 'interlude' dictation"

CARRIE F. FITCHETT

Secretary to Mr. Lovell, says The Dictaphone has given her time for work more interesting and more profitable than was possible with shorthand.

Read these words of J. S. Lovell again. Picture what they may mean to you. Then resolve to try the Dictaphone yourself!

"Give me and my Dictaphone an hour or two of quiet after the office closes and we'll turn out work which a whole day—crowded with interruptions—can't duplicate. I know, for I try it occasionally when other duties during regular hours leave my desk piled with unanswered mail at closing time.

"That's when I call The Dictaphone Invaluable. All hurried arrangements to keep my stenographer overtime are avoided, yet I can wade through that pile of correspondence in short order."

J. S. Lovell, Secretary of the London Life Insurance Co., London, Ontario, is the speaker and what he says is the result of keen personal observation. In general his dictation is sandwiched in between conferences, telephone calls and interviews,—a condition which formerly necessitated endless interruptions for his secretary and delays for Mr. Lovell.

"Now," he continues, "I can dictate at odd moments when all the particulars are at my tongue's end and without making serious and disconcerting inroads on my Secretary's time, much of which she needs to spend in other important duties. It's a decided satisfaction, also, to be able to unload your mind into The Dictaphone without that harrowing delay involved in ringing and waiting for stenographic help.

"These are some of the reasons why The Dictaphone is an invaluable aid in my work. Without it I should be seriously and unnecessarily handicapped."

Carrie F. Fitchett, Mr. Lovell's efficient Secretary, has nothing but praise for The Dictaphone. It has relieved her not only from the annoying interruptions occasioned by between-time note-taking, but from spending any time in that unproductive process.

"The Dictaphone," she says, "takes dictation so perfectly that all but highly confidential correspondence can be typed in the general office. There The Dictaphone has speeded up production nearly 75%, not because the girls are hurried, but because they can type instead of wasting two or three hours a day with pencil and note-book.

"These girls, too, are Dictaphone enthusiasts, for their work is easily finished by quitting time without that nerve-racking last-hour rush which is the bane of the shorthand system."

DICTATE TO
THE DICTAPHONE
"REG. CANADA"
and double your ability to get things done

MAIL WITH YOUR LETTERHEAD TO
Dictaphone Sales Corp. Ltd.
33 Melinda Street,
Toronto
T. R. CRAYSTON,
General Manager

☐ I want to read what leading executives or secretaries say about increasing their ability with The Dictaphone. Mail me FREE copy of your booklet, "What's Wrong With Shorthand?" and "Shorthand Plus."

☐ I am a Secretary ☐ Executive
[Check one]

☐ Please notify your nearest office to let me try a New Model 10 without obligation.

World-Wide Organization—U.S.A., London, Paris, Brussels, Sydney, Shanghai, etc. TF-9

Beautifully Paneled Directors' Board Room Has No Massive Table

Instead, Comfortable Chairs Are Set Easily About Room, Giving Directors Greater Freedom

A board room without a board is the striking innovation in the London Life's new building. There is no directors' table in the directors' room.

The directors' room is a very beautifully-paneled room, having none of the severity and formality of tone which characterizes most such rooms. In place of the immense oval or oblong table there is only one small table, at which the presiding officer sits. The other directors can arrange themselves about the room on comfortable chairs. The chairs are not of uniform design. In fact, in about sixteen chairs there are no less than twelve distinct styles, although the harmony of period and design has not been entirely lost to sight.

Abolish Anachronism

In eliminating the board table, the London Life has abolished what it considers an anachronism. The directors, when they are called together for a meeting, always have the agenda of the meeting given to them in writing. It is not necessary for them to take lengthy notes and they can do business in greater comfort and with equal despatch by sitting in chairs more comfortable and individualistic than the ordinary director's chair.

The board room is paneled in crotch-grained mahogany and is superbly rich in tone and atmosphere. Portraits of past presidents are on the walls and a Scotch broadloom carpet of deep pile, blue in color, is on the floor.

Master Clock in Room

An interesting feature of the board room is a grandfather's clock that has all the charm and dignity of a century-old timepiece, but that is, in fact, the master clock for the electric clock system which covers the entire building.

Adjacent to the board room is a smaller and somewhat less pretentious room which links directly with the general manager's office. This is the executive committee room where members of the executive meet for their regular morning session.

Many Novel Policies Introduced by Company

Approach a London Life underwriter and ask him for some of his company's literature; he will in all probability produce a stack of pamphlets that for variety of hue and content, rival the kaleidoscopic effects of a musical comedy.

However, there is a real purpose behind this barrage of gaily-colored literature, for it is perhaps one of the outstanding characteristics of this company that in the past twenty-five or thirty years it has continually kept abreast of changing conditions in the insurance field by the issuance of numerous special types of policies for every purse and purpose.

Away back in 1901 a series of special policies was inaugurated known as the Reserve Dividend Series, and from that time to this some new feature has been added almost yearly by way of making insurance more attractive to every class of Canadian prospect.

Super-service Policy

One unique contribution to industrial insurance which the company made along these lines was its introduction of the "Super-service" policy. This policy was the first of its kind to be introduced in Canada, and its virtue lies in the fact that it combines the industrial or weekly premium plan, with the ordinary features and privileges of life insurance. In other words, it enables the wage-earner to purchase a definite amount of insurance such as a $1,000 policy, but to pay for it on a weekly basis.

Another problem that has been faced and met by the company is the realization that the great majority of people are very inadequately insured. Of course, this problem is as old as life insurance, but, as a result of its work among industrial policyholders, the London Life set about to devise a policy that would help to some extent at least in the solution of the problem. The result was the announcement, in 1927, of an "Earning Power" Series, which is a low-rate, interchangeable term policy, based on the theory that adequate protection would always be out of the reach of the average man as long as it was on a high-price basis. The policy may be paid for on the weekly premium plan and is extremely flexible, allowing a change within ten years to whole life, twenty-pay life, or twenty-year endowment.

Low for Best Risks

For ordinary life insurance, the London Life a few years ago introduced their "Jubilee" policy, which offers ordinary insurance on any of the accepted plans to super-selected risks. The rate on this policy is low in comparison with the ordinary life policy and is accounted for on the principle that, by making the careful medical selection, the company can provide this particular service at reduced rate of premium.

Other special policies now offered by the company include the "2-Point" policy; the "Duplex" and the "Success" policy, each incorporating some distinctive feature, to serve a particular field.

Floor Lay-out in Big Building

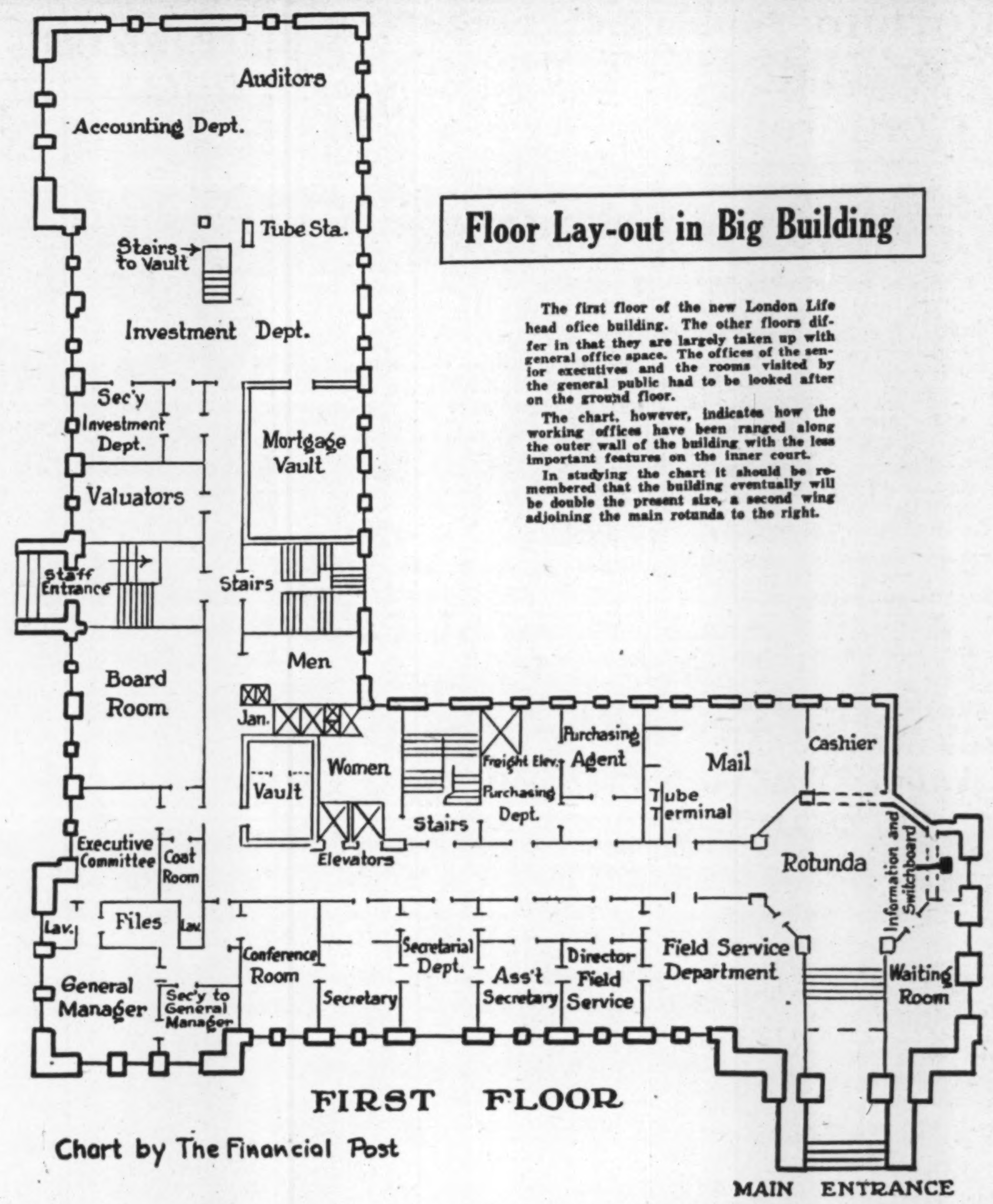


Chart by The Financial Post

The first floor of the new London Life head ofice building. The other floors differ in that they are largely taken up with general office space. The offices of the senior executives and the rooms visited by the general public had to be looked after on the ground floor.

The chart, however, indicates how the working offices have been ranged along the outer wall of the building with the less important features on the inner court.

In studying the chart it should be remembered that the building eventually will be double the present size, a second wing adjoining the main rotunda to the right.

SOUND-ABSORBING PLASTER PREVENTS NOISE IN OFFICES

Sabinite on Ceilings and Some Walls is Very Effective

It would almost be correct to call the new London Life Building noiseless. Certainly the ordinary noises that attend the operation of business have been almost entirely eliminated. This is done by the treatment of floors and walls.

All office floors are covered with Dominion Battleship Linoleum, which has long life, is easy on the feet and practically noiseless. All of the ceilings and many of the walls are of Sabinite plaster, a special type of plaster that absorbs sound, prevents unpleasant echoes and gives to every room, whatever its size, delightful acoustic properties. Sabinite is made by the United States Gypsum Company, Chicago.

The auditorium walls and ceilings are almost entirely made of Sabinite. In the smaller private offices only the ceilings utilize Sabinite, but in all offices where there is much noise—such as the addressographing room, the stenographic departments, etc.—the Sabinite plaster is also brought about halfway down the wall. Here is, indeed, a solution of the noise problem for every harassed executive.

WASHING HANDS MADE PLEASURE BY NOVEL IDEAS

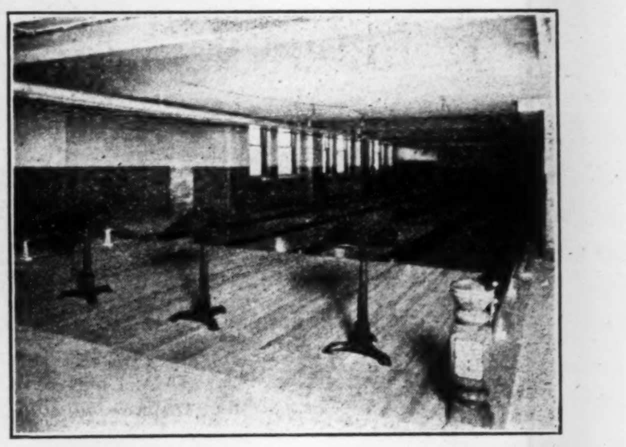
No one need ever leave the London Life Building with soiled hands, no matter how grimy the files or papers handled during the day. Three features in the lavatories insure a clean and comfortable wash-up.

One is the fact that all water piped to the lavatories is softened before going through the building. Special equipment has been installed for this purpose.

A second feature is that liquid soap is provided at every basin from a central tank on the top floor. The soap is piped throughout the building. The fact that in the lay-out of the building the lavatories have been "stacked" one on top of the other made the provision of a central soap supply a simple and inexpensive matter. The company expects that the soap supply system will more than pay its way in the annual savings in soap bill. There can be no waste with liquid soap provided through a pipe to each basin and available in proper quantities by the pressing of a button. The soap supply system was supplied by the West Disinfecting Company, Toronto.

No Towel is Needed

After a member of the staff has washed his hands he needs no towel to dry them. Automatic electric hand-dryers have been installed. These are very ingenious and effective contritrivances. One presses a button and for forty seconds a steady draft of air blows through a vent in the hand-dryer. The machines are timed to dry one's hands properly. They turn off automatically as soon as their purpose has been accomplished. The air is heated as it comes from the machine. Such machines, of course, save a large amount of the money ordinarily spent on towel supply.


Recreation Club—London Life Insurance Co., London, Ont.

Selected After Investigation

Every detail of the London Life Building and equipment was only selected after most thorough investigation and with the highest quality always in view.

In keeping with the trend of times, recreational facilities have been installed for the staff. The Eastern Billiard Table Co. consider the selection of their Regulation Bowling Alleys, by this leading Canadian institution, as conclusive proof of the excellent features of their product.

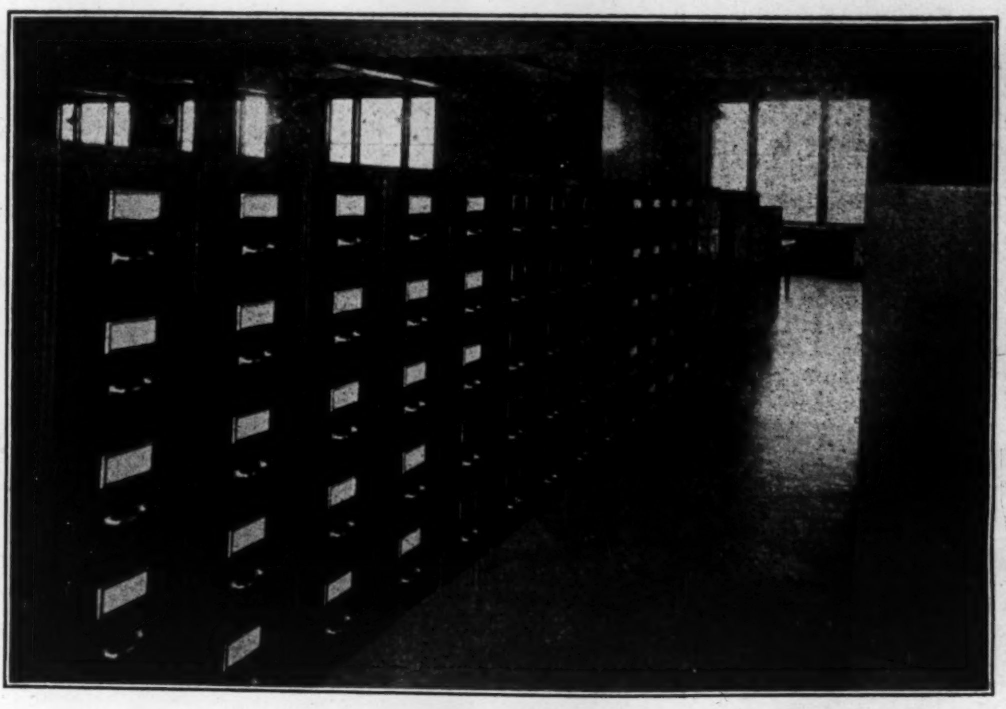
Prices on application.

The
Eastern Billiard Table Company
36 Notre Dame Street West
MONTREAL

London Representative
G. H. Upton, 59 Bruce St.
Phone 8696W

Specialists in English Billiard Table and Bowling Alley Construction

Quality Built Made-in-Canada
STEEL FILING CABINETS
Installed by
London Life Insurance Company
ordered through
Hay Stationery Company, London, Ont.


50 Five Drawer Cabinets

THE STEEL EQUIPMENT COMPANY LTD.
Blackburn Building
OTTAWA, ONT.
Factory, Pembroke, Ont.

MODERN ELEVATOR WAS TYPE CHOSEN FOR NEW OFFICES

Can Travel 350 Feet a Minute Up or Down

Up or down at 350 feet per minute.

This is the rated speed of the two passenger elevators which carry visitors and staff from cellar to garret of the new head office building of the London Life. The machines are of the geared type, installed by the Turnbull Elevator Co., and operated by means of a special device called the Westinghouse variable voltage control. Rather a high-sounding title for the average layman, but it might well be interpreted as meaning the utmost in flexibility and ease of operation.

Neat in Appearance

Outwardly these elevators that serve this new building are very neat in appearance, the finish being of a very fine bronzed Duco enamel. The doors are equipped with a closer and interlock device, the former to ensure closing and prevent slamming, and the latter to preclude the possibility of operating the elevator when any of the doors are open. The signals in the halls are of the automatic type which function through the medium of a mechanical dial. Inside the cab the flashlight system of signal is used.

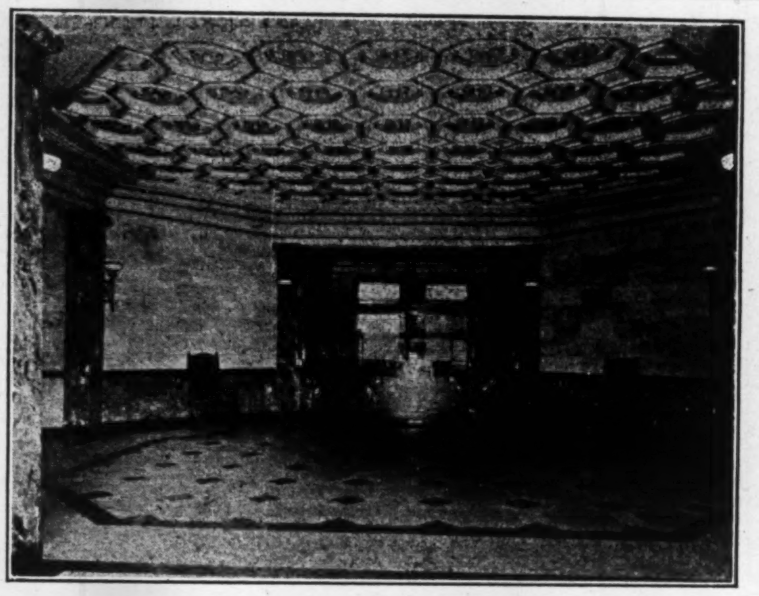
The cabs are tuned to a capacity of about 2,000 lbs., which, roughly speaking, means 12 people. Each cab has a separate motor generator and is operated by a geared type of drive. The variable voltage control equipment means that each machine is entirely interdependent of the other and that the operator has a wide range of voltage at his disposal. Not only is this voltage available for instant speed, but, by means of this equipment, the elevator may be started very easily, may be operated at high speed with the very minimum of vibration, and brought to a very comfortable stop with comparative ease. This control equipment is supplied and installed by the Westinghouse Co. and is one of the most expensive types of equipment that can be procured.

Precautions for Safety

As far as safety is concerned, the usual strict precautions have been taken to ensure against every conceivable accident that might occur. The car cannot possibly overtravel, either up or down, for at the bottom of the elevator shaft are installed oil cushions which would act as a perfect buffer in case of the car going too low. In the event of the car going too high, these same cushions are brought into play by means of a counterweight which is attached to the cushions and is connected to the car by means of a single traction passing over the roof of the cab.

In addition to the passenger elevators, the building is also equipped with an electric push-button freight elevator which may be used for transporting furniture or machinery from one floor to the other. A great improvement over the old pulley type of elevator which moves ponderously up or down by the manual manipulation of heavy cables.

First Impressions Are Excellent



The entrance rotunda of the building.

Edward Reid Has Earned Right to Stand at Helm as Ship Enters New Port

A few weeks ago, two distinguished university graduates, who had known each other since undergraduate days, met at a head table on either side of the chairman of the evening. On the one side was Edward Reid, general manager of the London Life, and on the other was Sir Robert Falconer, president of the University of Toronto.

It was Edward Reid's night, however, as speaker of the evening, and the subject, much to the amusement of Sir Robert, was "The Chief End of Man." The audience was composed largely of young men, although there was a fine sprinkling of older heads, and for more than half an hour, Mr. Reid urged his younger listeners to strive always for the best things of life; urged them to master their English; to be careful of their pronunciation; to work faithfully to be conscientious; to master the details of their business; but, above all, to always do their best, day in and day out.

Reid as Example

And then, after a few moments, Sir Robert Falconer got up and in his measured way added his few words of appreciation to what his friend had just said. He stressed once again the importance of Edward Reid's remarks, and paid a personal tribute to the man whose own personal example bore adequate tribute to everything that he had said.

Example!

Perhaps that's the reason why Edward Reid is the dynamic force in the London Life to-day.

A native of London, and a keen, brilliant student, he graduated with honors from the University of Toronto in 1884 with his appetite nicely whetted for the mathematical mysteries which have always seemed to fascinate him. The choice of mathematics on the part of Reid was indeed a happy one, for actuarial science has always been the handmaiden of true life insurance, and, through his aptitude to this particular branch of learning, the groundwork for his present and future career has been well and truly laid.

Collection of Initials

Three associations of world repute have placed their peculiar hieroglyphics after his name—the British Institute of Actuaries, the Actuarial Society of America, and the Chartered Institute of Secretaries, and in his own profession he has the honor of being a past-president of the Life Insurance Officers' Association. He is also at the present time the president of the Office Management Association, an organization which covers both Canada and the United States.

But it is in his own company that his achievements are most noteworthy. Starting in the head office of the company at graduation, he applied himself with zeal and perseverance to the actuarial trail. In 1903 he became the company's actuary, and two years later he was chosen to fill the newly-created post of assistant general manager, under J. G. Richter.

Worked With Richter

For fifteen years these two men labored together to unify and co-ordinate the varied interests of the field force and the head office, and to build well the ambitious structure that is now clothing itself in a new material garb. That their work has not been in vain is attested by the regard with which the name of the London Life is held in all parts of Canada, and here again the personal example of its general manager is the dominating factor.

The qualities of heart and mind that endear Edward Reid to all who know him cannot help but prove an ideal example to all those with whom he comes in contact, and it is fitting that he should be at the helm of his company's ship as she steers into the future from the portals of the new head office building.

"Floating" Shades

All the windows in the building are fitted with Athey shades, which are made of pleated linen in a natural wood shade and which operate either from the top or from the bottom.

The shades are attached by means of eyelets to two cords that run the length of the window on each side thereof. Thus the whole shade is free to run up and down the window, or may "float" half-way between.

LAMSON CARRIER SYSTEM REPLACES MESSENGER BOYS

Quicker and Quieter, Tubes Provide Good Service

No noisy messenger boys tumble about the corridors of the new London Life Building. Quicker and quieter, a conveyor tube system carries messages, letters and Dictaphone cylinders throughout the building.

The brass tubes that guide the message carriers from floor to floor are of solid brass. They are 4" by 7", and as the carriers are themselves 12" long, letters of ordinary size can be carried without being folded, just rolled slightly, while two Dictaphone cylin-can be transmitted in specially designed carriers for that purpose.

Terminals on Each Floor

There are terminal stations on each floor to which messages for any part of the building are carried by the secretary to the executive sending the message or by other members of the staff. Each message goes to the central terminal station in the mailing room. If the message is for that room it goes no further. Quite likely though, it will be for some other department and the clerk in charge of the terminal learns the destination by a glance at a number on the carrier. When the carrier drops into his basket he immediately despatches it to its proper post. A message can be sent from one end of the building to another in thirty seconds.

Seven Stations Used

There are seven stations; one in the basement; one on the main floor; three on the second floor, and two on the third floor. These give good service to the whole building. The girls who handle the messages at each terminal are able to carry on other duties as well, such as typing.

The system is operated by compressed air. Gravity is also utilized as motive force.

The Lamson Company, of Syracuse, New York, installed the tube carrier system.

QUALITY EMCO BRASS GOODS

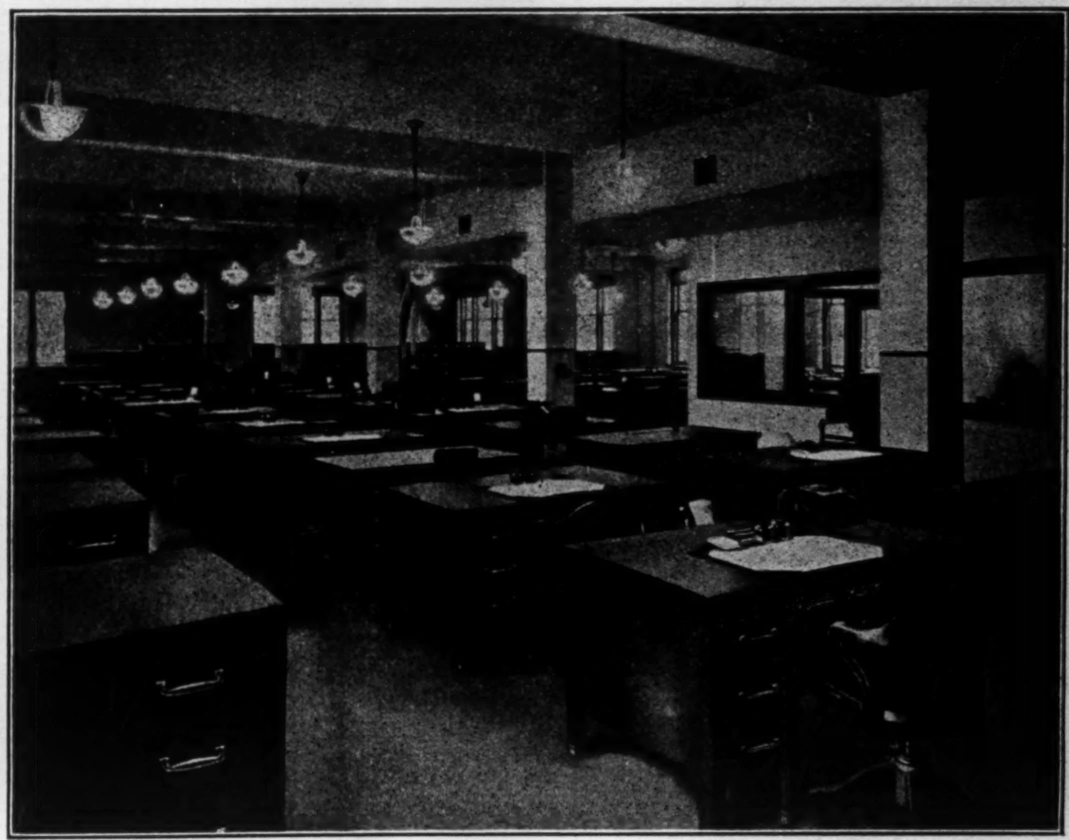
IN LEADERSHIP LIES SAFETY

THE specifying of EMCO quality brass goods and sanitary fixtures in the new London Life Building is just another evidence of EMCO superiority and leadership.

EMPIRE BRASS MFG. CO. LIMITED
London, Toronto, Vancouver

The Plumbing, Heating
and
Ventilation
in the
London Life Insurance Co.
New Building
was installed by

The BENNETT & WRIGHT Co.
LIMITED
72 Queen St. East
Toronto
81 King St.
London



"NewSteel" Desks, attractive in appearance and unequalled in durability, were the choice of the London Life for the re-equipping of their fine new offices.

"NEWSTEEL" DESKS
Have Qualities You, Too, Will Like

RECOGNIZING the mechanical superiority and the economy that steel desks give over those of wood, the "London Life" installed upwards of sixty "*Office Specialty*" "*NewSteel*" *Desks* in their new offices.

"*NewSteel*" Desks combine pleasing appearance with utility. They are built to keep their good looks and will stand the wear and tear of a busy office many years beyond the ordinary lifetime of wood desks.

Installations of "*NewSteel*" Desks we have made during the past two years have been for *complete* installations varying from 10 to 200 desks. Furnished in olive green or in natural wood grained finishes "*NewSteel*" Desks fit in handsomely with any color scheme in the office.

Ask for a copy of our "*NewSteel*" Desk catalog and learn the many advantages to be obtained in re-equipping your office in Steel.

THE OFFICE SPECIALTY MFG. Co. LIMITED
Home Office and Factories: Newmarket, Ont.

Branches at:
TORONTO OTTAWA MONTREAL QUEBEC HALIFAX HAMILTON
WINNIPEG REGINA CALGARY VANCOUVER

Interesting Features of London Life Head Office

Summary prepared by John M. Moore & Co., Architects, London

Cubic contents	1,831,360	cu. ft.
Boiler house	117,000	" "
Floor surface	102,000	sq. ft.
Boiler house	4,860	" "
Excavation	9,000	cu. yds.
Concrete	40,000	cu. ft.
Stone—Queenstone ..	15,000	" "
Indiana Limestone..	30,000	" "
Structural steel	650	tons
Massillon joist	500,000	pounds

Building constructed with present entrance arranged so as to be in proper location for future extension.

Exterior of building is cut stone of classical design of the Corinthian order with three-quarter engaged columns, approximately 35 feet high, 3 feet in diameter.

Entire building supported on structural steel frame, carrying Massillon steel joists with concrete floor.

All interior partitions of hollow tile.

All structural steel fireproofed.

All interior trim, except for special requirements, is metal with baked enamel mahogany finish.

All corridor floors of special non-slip Travertine marble.

Floors of work portion covered with gray battleship linoleum, cemented to floors.

All walls are plastered, and ceilings are finished with special Sabinite acoustic plaster, which absorbs all echoes and reverberations.

A main security vault installed, which is the last word in security. Walls, ceilings and floors, 3′ 6″ thick, reinforced throughout with 1″ rods, and the entire vault lined with 1½″ steel lining.

All sash are metal counter-balanced and sliding—first floor of special design in solid bronze.

All stairways are fireproof and enclosed in fireproof partitions.

Book vaults are constructed on each floor at end of corridors.

All hardware specially designed with Yale Monolock sets, on which is cast the monogram of The London Life Insurance Company.

Main entrance and vestibule doors are solid cast bronze, especially designed with lighting standards and clock to match.

Main lobby has special treatment in Steinway green marble with coffered ceiling.

Auditorium designed with acoustically treated plaster, quarter cut oak flooring and specially concealed lighting, which is controlled by dimmers.

Board room, president's room and general manager's room are panelled in solid crotch mahogany with ornamental plaster ceilings and panels.

Bowling alley of latest design, installed in basement.

The wiring of the building is especially complete, with underduct floor system for telephone, signal and special wiring, enabling furniture and fittings to be moved to any location and reconnected with wiring.

Auditorium exit and corridor lights connected with storage batteries which automatically light in the event of hydro going off.

Two Turnbull elevators installed, special direct current, variable voltage type, with separate generator for each car, capable of a speed of 350 feet per minute.

Lamson tube system installed throughout the building for delivery of messages.

Boiler room equipped throughout with latest and most modern heating devices. Two 200 h.p. Babcock-Wilcox water tube boilers installed, the building being heated by hot water through converters and the water circulated by high pressure steam turbine pumps, the exhaust from these pumps is used to heat the water.

All heating throughout the building is thermostatically controlled.

All piping throughout heating system is genuine wrought iron pipe and all piping throughout plumbing is of brass.

Mechanical chain grate stokers are installed for operating the boilers and a hydraulic elevator is installed for handling of coal and ashes.

All air for ventilating is heated and washed, and is then distributed through the building by fans, all foul air being removed by an exhaust fan.

Hot and cold soft water is supplied to all basins and each basin is equipped with a spray nozzle and liquid soap supplied from a tank on the main floor.

Electric hand dryers are also installed for each basin.

All fixtures throughout are vitreous china.

The walls and floor of lavatories are tile with marble partitions.

The roof of building on the flat portion is Barrett Roof, with a copper roof over auditorium.

Special electrical service is brought in under ground direct from sub-station and private transformers installed.

In connection with wiring of building, approximately 38,000 feet of conduit was used and 228,000 feet of wiring.

Iced drinking water furnished through building to different drinking fountains.

Italian Lava and Linoleum Vie in Floors

Each Floor Surface Chosen for Its Particular Job

Not even the lowly floor has been overlooked by the London Life Insurance Co. in its effort to furnish its new home with the last word in materials that are beautiful and at the same time efficient. Every inch of floor space has been covered by experts in order to provide materials that yield the utmost in beauty and utility. Not only has performance over a period of years been taken into consideration, but every-day wear and tear, both in summer and winter, on rainy days and on dry, has been considered in making the final choice.

Starting at the rotunda, at the main entrance to the building the floor is of Travertine marble, a substance that is finding increasing favor in Canadian buildings; and is inlaid and bordered with handsome blocks of Belgian black marble. This Travertine is brought all the way from Italy, and is in reality a pure, natural lava, cut in blocks, and shipped to Canada directly from the Italian lava deposits. Not only is it of beautiful appearance, but it seemingly possesses all the possible virtues that could be desired of a flooring material.

Can't Slip on It

In the first place it is considered one of the hardest substances that can be obtained for inside flooring, but, in spite of this ability to withstand wear, it is a very comfortable floor for walking purposes and seems to possess an almost resilient quality that not only absorbs sound but adds greatly to the pleasure of its use. One entirely unique feature about this flooring is the fact that the wetter it gets the less one slips. This is particularly important for a rotunda where wet or snowy boots are constantly passing to and fro, and greatly minimizes the danger of an accident on a wet day.

With the exception of the basement, all the passages of the London Life Building are laid with Travertine, as are also the stairtreads and the landings on each floor. The wainscotting and the trim is all of Belgian marble on the main floor, and of black slate on the upper floors. The basement passages and corridors are of Terazzo, a manufactured marble which is also very durable.

Use Steinway Marble

In the rotunda, the "dado," or lower portion of the walls above the wainscot, is built of a very fine Steinway marble, which comes from Belgium and is one of the most beautiful decorative materials in the world. The coloring is a marble background, shot with a very restful shade of green, and affords a very fine appearance to the eye. In other parts of the building the dado is built from a Canadian marble which is quarried in Quebec province. The roof of the main corridor is made of Caenstone blocks, a native product, which is in reality a manufactured stone.

Coming now to the rooms themselves, about 90 per cent. of the entire floor space of the building is covered with Battleship linoleum. The only exceptions to this are the auditorium, the board room, the general manager's office, the executive committee room, and the waiting room on the ground floor. Of these the auditorium is built of hardwood and the other four rooms are laid with pure cork flooring, on which are laid specially-woven Scotch carpets.

Why Linoleum is Liked

Conversation with officials of the company reveals that the choice of linoleum in preference to other substances was made for several reasons. In the first place, the floors of the building are all of concrete, and to have covered them with a substance such as hardwood would have meant the laying of a 2 x 4 superstructure against the concrete and then laying the hardwood on this—a very costly proceeding. As it is, the huge rolls of linoleum are stretched across the concrete without any intermediary substance, and the result is a floor that will wear for at least twenty-five or thirty years.

Not only is this linoleum very durable, but, furthermore, it is extremely nice to walk upon and is quite restful for the feet. One drawback to the material is the fact that if left in its natural state it accumulates dust quite readily, so that in order to overcome this difficulty all the linoleum in the building has been treated with a bleached Hippo oil and then thoroughly waxed. This treatment fills up the pores of the linoleum and gives a splendid walking surface that sweeps well and is easy to keep clean. Battleship linoleum is composed of a very finely-ground cork compressed on to a linen fabric.

The other floors in the building have either been designed to give individuality or else for some specific purpose. The auditorium floor, which is of very fine-grained hardwood, is kept highly polished so that at any time it is available for dances or other social events. The cork floors in the four rooms mentioned above are very fine pieces of work, with inlay at the edge and surmounted by soft carpets.

Richter Manager for Four Decades

The name of John G. Richter has been associated with the London Life Insurance Co. for some forty-two years, and although his present role of vice-president does not bring him into such active contact with the insurance world, nevertheless, there are few who know anything of the London Life, who have forgotten his 37 years of conspicuous service as general manager of the company.

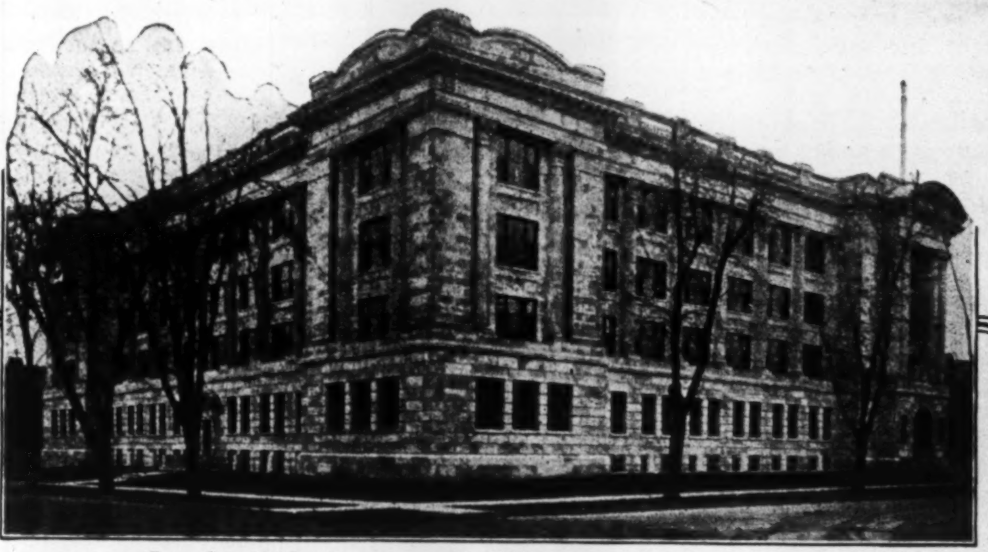
The John J. Deery Co.
LIMITED

Importers
and
Wholesalers
of
Marble
and
Building Stone

In the erection of the London Life Building we were pleased to supply "Travertine" stone, Bleu Belge, Belgian Black — through the sub-contractors — George Oakley and Sons, Toronto.

To Architects, may we suggest
that you demand MARK D
on all marble specifications

1056 Durocher St.
MONTREAL



London Life Assurance Building - - London, Ontario

A Modern Building Worthy of the Finest

Architects; J. M. Moore & Co., London—General Contractors; Yates Construction Co., Hamilton—Painting Contractors; W. T. Pace & Son, London

That is why Degraco Wall Finishes were used throughout this building.

It is a significant fact that many of the prominent buildings throughout Canada are decorated with Degraco Paints. They are specified by leading architects and engineers, and favored by the best painting contractors because they know through years of actual experience Degraco Paints produce a finished job that justifies the owners confidence in them.

There is a Degraco Finish for every painting requirement

DEGRACO PAINTS
All Colors for All Purposes

Dominion Paint Works Limited
Walkerville, Ontario
OFFICES AND WAREHOUSES ALL PRINCIPAL CENTERS

BUILDING IS KEPT AT UNIFORM HEAT BY THERMOSTATS

Regulation of Temperature is Entirely Automatic Throughout

The entire London Life building, with the exception of the basement, is equipped with a temperature regulating system.

Each room has an intermediate thermostat controlling one or more valves in the radiators. The operation of the thermostat is very simple. It is set for a desired temperature, say 68 deg. Fahr. When the temperature rises to 69 deg. the thermostat automatically closes, or partly closes, the radiator valve. On the other hand, directly the temperature drops to 67 deg., the radiator valve opens sufficiently to bring the room back to the required heat.

Foolproof Thermostats

These thermostats are constructed entirely of metal and are practically foolproof. They are encased in a metal cover finished to match the hardware and have a mercury thermometer.

Multiple insertion thermostats are mounted in the air supply ducts. The thermostats are so adjustable that, as the outside temperature goes up, certain sections of the heating coils are cut off until there is only one section on, or none at all.

Controls Water Temperature

Even the hot water for domestic purposes is kept at the required temperature by a hot-water thermostat. The temperature of the water does not vary more than two or three degrees.

The air for this system is supplied by an electric air compressor, which is built for the sole purpose of automatic temperature regulation and is entirely automatic in operation. It requires no attention beyond the ordinary care of oiling and cleansing.

Every possible contingency seems to have been thought out in this system. There is even an electric compressor governor which starts the motor automatically when the air supply goes down below the 15 lbs. pressure required to operate the system and shuts it off again at 17 or 18 lbs.

The whole system was installed by the Johnson Temperature Regulating Company of Canada.

Growth and Service

Thus the new building and all that it signifies, can be summed up in the two words, "growth" and "service." The life insurance service that has been rendered by the company during its fifty-three years of activity, has been primarily responsible for sound and rapid growth, and it is this growth that has necessitated the structure that is now being "broken in" by the head office staff of the London Life.

Copper and Brass Used Freely for Permanence

Copper and brass, the permanent, non-corroding metals, have been widely used in the new London Life head office. Over the roof of the auditorium is a copper roof. Water piping is brass throughout and will, therefore, last as long as the building, which has been built for several generations of use. The carrier tube system is made of brass. Window screens are bronze and the window sash and frames are of bronze.

Bronze is used also in places where artistic effect is needed to be combined with utility of purpose. Thus the hardware throughout the building is of solid bronze; the main lighting fixtures are of the same material; the two entrance doors present beautifully-designed bronze grill effects. Even the cases for the many clocks in the building are of solid bronze.

Main Lighting Fixtures, Especially Designed, Cast in Solid Bronze

From an architectural point of view, the London Life building is most pleasing to the eye, and it is only necessary to step into the lobby, the directors' room, or the auditorium, to realize that the general scheme of thought has been to bind together both inside and outside in an artistic manner seldom achieved in a mere office building.

The building is of classical design, with matched columns in Corinthian treatment. An evidence of the careful artistic to a single artistic scheme, is seen in the fine lighting fixtures in all the principal rooms. These convincingly express the keynote of the whole architectural concept and maintain harmony of design throughout.

Standards at Entrances

The most important electrical fixtures are two very fine standards at each of the two entrances; special hanging fixtures in the entrance hall, waiting room and board room, smaller hanging fixtures in the main corridors, and wall brackets in the rotunda. All of these and some others were designed by McDonald & Willson Lighting Studios, Toronto.

As the main entrance is approached, one passes between two solid bronze sentries in the form of light standards. And here it will be seen that the same character and detail are carried out as is manifested in the general architecture of the building. These standards are quite massive, made of solid bronze, and add considerably to the effect of the large bronze doors at the entrance. Incidentally, it took seven men to lift one of these standards.

Lobby Lantern Solid Bronze

Then there is the lobby lantern, which is one of the largest bronze lanterns of its type in Canada. This also exemplifies the architecture of both the exterior and interior of the building. The lantern is unique in design, though generally following the Grecian key and honeysuckle motifs, and the feature of it is that the lights themselves are surrounded by six panels of plate glass so bent as to form a cylinder.

The rotunda proper is lighted by eight bronze brackets, designed in harmony with the large lantern. These brackets have a double arm support and their decorative feature is not only in the fine bronze work itself, but also in the specially designed Tiffany semi-direct bowls which reflect the light to the ceiling as well as diffuse it about the room.

The main corridor is of good classical design with fixture parts of bronze, with special glass bowls, each bearing the London Life monogram on the sides.

Well-lighted Directors' Room

A fine atmosphere is gained in the directors' room by a central chandelier surrounded by four other chandeliers, one in each corner. These pieces are very finely designed and finished and are perfect, not only in the soft lighting, but also in the wonderful harmony of design and fine execution. These too, are of solid bronze.

The executive offices are done in the same period of design as the entire building.

The fixtures were not inexpensive. But had they been more cheaply produced the excellent ensemble of the building would have been lost.

ALL WORKING PARTS OF BUILDING OUTSIDE

Service Features Grouped on Rear Court—Clever Arrangement Shown

The general lay-out of the London Life Building has been well planned, and it is only by examination of the blue prints or the building itself that the many ingenious features are brought to light. They are important but unobtrusive.

All working parts in the building are on one or other of the two sides which face on the street. The service features are all on the inside, facing the rear court. Thus there is not a foot of waste space on either facade.

Lavatories, rooms for the use of the maintenance staff, elevators, vaults, ventilating ducts, etc., all face on the inner court. It sound very simple, but the result is very effective and a great aid to both beauty and efficiency.

ELECTRIC SIGNAL CHIMES FOR MEN NOT IN OFFICES

Locates Executives and Others When They Are Needed

An electric signal call system is a feature of the London Life Building that immediately attracts the attention of the visitor who has run against the problem of tracing an important executive in a large building, when that executive is not in his own office.

The signal system is operated from the desk of the telephone switchboard operator. When any executive is wanted and he is not at his desk, the switchboard operator will press a button bearing the number assigned to the person sought. Immediately, throughout the entire building, a barely perceptible chime rings, calling that number from a number of stations. The sound has a peculiar quality of carrying for a considerable distance, but it is not disturbing, since it is restrained and melodic. It is like the fine notes in a violin concerto played in a large hall. While the furthermost patron in the top gallery hears the notes, the wonder is that they carry ten feet. The call is repeated three times.

Several People Have Calls

On hearing his number chimed out, the party sought steps to the nearest telephone and communicates with "switchboard," who links him with the party called.

Numbers have been assigned to those whose duties make it necessary for them to move around the building from time to time. The general manager has a call and, of course, the building superintendent. The chief janitor is on the system, as is also the electrician. There are four or five others as well.

The system was built by the Signal Engineering and Manufacturing Company, of New York.

NOISE BANISHED FROM LONDON LIFE

Confusion of Ordinary Office Eliminated by Different Devices

Every effort has been made in the design and equipment of the London Life Building to eliminate noise and confusion. Here are some of the features especially planned to make the business machine noiseless and unobtrusive:

Messenger boys have been eliminated by installation of a tube system for messages.

Floors are covered with Battleship Linoleum.

Ceilings are treated with sound-proof plaster which is also used on walls of rooms where noisy equipment is used.

On the ground floor, there are no wide-open offices. Only the switchboard operator (who is also "information") and the cashier are visible to the casual visitor.

Most of the stenographic work is done in a central department, with dictaphones, providing contact between executives and stenographers.

Are YOU Planning to Build ?

Plans and specifications for the construction of office buildings, hotels, apartment houses and residences, should include provision to carry telephone wires.

Failure to observe this may prove very costly.

Large buildings of a commercial class contain hundreds of telephones. It is necessary to carry two wires from each telephone in such a structure to some central point in the building.

You will avoid the necessity of making extensive and costly alterations after the building is completed if you provide for telephone wiring in your original plans.

Let the engineers of the Bell Telephone Company of Canada assist you in this matter. Their services are at your disposal.

You can get the benefit of their experience free of charge in planning the best system for each individual case.

Our local representative will be glad
to give you full details.

*The Bell Telephone Company
of Canada*

The New Building of the
London Life Insurance Company
is heated with
2 B.-W. & G.-McC. Water Tube Boilers
fired with
Style 22 B.&W. Chain Grate Stokers

**If you have power or heating problems, consult us.
Our engineering staff is at your service.**

Babcock-Wilcox & Goldie-McCulloch, Limited
Head Office and Works—GALT, ONT., CANADA

See Oakley First—

No matter how large or small your contract, it will pay you to see Oakley first. Our long experience with, and exclusive business in

Cut Stone and Interior Marble

enable us to supply you with the best products obtainable anywhere at really competitive prices.

The beauty of the marble supplied by us is well known to builders, everywhere, and being large importers of every grade can fill your orders promptly for

White Italian	Napoleon Gray
Pink Tennessee	Italian Travertine
Blue Belge	Black & Gold

We invite your enquiries now, assuring you of prompt service at all times.

All of the interior marble in connection with the new London Life Bldg. was supplied and erected by us, and the exterior cut stone was supplied by the Central Canada Stone Co., Sarnia, Ont.

GEO. OAKLEY & SON, LIMITED

Office:
278 Booth Ave.
Toronto

Marble Mills;
355 Logan Ave.

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining, insurance inquiries on sheets separate from other investment inquiries.

Two Oil Stocks

I have been advised to purchase Imperial Oil and International Petroleum. In what class are these shares? Are they a good purchase?

Imperial and International Petroleum are purchases for a business man. The speculative tinge to these stocks is extremely attractive. Over a term of years, we believe you would do well with these shares.

Shawinigan Water

I am considering purchasing 100 shares of the Shawinigan Water and Power stock. What is the market outlook for this security?

You can regard Shawinigan Water and Power as an excellent long hold investment. The immediate future market cost of the stock does not matter. It may go up or down a few points, but over two or three years we believe you will be well satisfied with Shawinigan shares.

Asbestos Corporation

What do you think of Asbestos common as a speculation?

Asbestos Corporation common is a long hold speculation. While ultimately we believe that these shares will sell materially higher, yet we think there are other stocks comparable to Asbestos common which give more indication of appreciation. For instance, there is the common stock of the Canadian Industrial Alcohol Company, which is on a sound dividend basis.

National Steel Car

I have a proportion of funds which I can safely invest in shares to which there is a speculative tinge. I am considering National Steel Car. Let me have a word or two on these shares, please.

The common shares of the National Steel Corporation are a speculation for a business man. The company is ably managed and is in a strong fanancial position. If the expected revival in car building takes place in this country over the next few years. the stock will sell higher. If the revival does not take place, you can anticipate no appreciation in the shares. In any event, it harly seems reasonable to presume that the shares will sell at much below their present price.

For the past few years the railroads have placed very few car orders anywhere in the Dominion; despite this, the company has progressed.

Fed. Capital Corp.

What is your opinion of Federated Investment Trust of Delaware 6 per cent. preferred stock with option to purchase until 1930 eight shares of common at $25?

We presume your enquiry relates to the Federated Capital Corporation. The Federated Investment Trust is a Canadian proposition of very doubtful merit, associated with the Wright Flexible Axle Motors.

Federated Capital Corporation, formerly Federated Investment Trust, incorporated under Delaware laws, seems to be organized on sound lines, giving the advantages of diversification and investment in growing industrials similar to that afforded by the British investment trusts. The preferred stock at $25 a share gives a well assured yield of 6 per cent. per annum and the rights to purchase common stock have a definite value. The common is now selling at around $29 a share and the rights are, therefore, worth about 80 cents if exercised at the present time. However, they should gain in value.

National Distilleries

How do you regard the shares of the National Distilleries? Are they speculative?

The National Distilleries shares we regard only as a speculation for a business man. The company has some excellent directors, which speaks well for its administration in the future. Other distilleries in Canada have been successful and National Distilleries over a term of years, we believe, should do well. For a short hold, of course, the stock does not look attractive. It is really impossible to give you any reasoned opinion on the future of the company because from its present assets, there is no record of earnings available. It is impossible also to indicate just what kind of a market the company will find for its output. The reason for this is that the National Distilleries came into being only recently.

There are no bonds or mortgages outstanding on the property and the majority of the common stock is held by insiders which indicates that they have faith in the future of its operations.

Perfection Glass

One of our clients has been approached by an agent of the Perfection Glass Company to purchase stock at $8 a share. Not wanting to give our opinion on the investment, we thought possibly you would let us know if this stock is one that might safely be purchased by an individual with only limited means who could not afford to lose the money.

They are offering the stock at $8 a share, although we have seen recent quotations on the Montreal Curb of $3 and $4 a share, but of course, are not sure if this is the same class of stock.

The Perfection Glass Company advise us that they have no agents selling the stock. Those who have approached one of your clients may, therefore, be selling their own stock or selling part of a large block already in the hands of some other shareholders.

The $8 price is, of course, ridiculous. There is only one class of stock and that changes hands here in Montreal between brokers at about $3 or $4. The stock is a speculation, and we most certainly would not advise its purchase for one with only limited means. We understand the company is doing a better business but in our opinion you would be very well advised to advise your client to have nothing to do with the agents selling the stock. Those who endeavor to sell stock at well over 100 per cent. of its market value can, of course, only be regarded as brigands and pirates—it is unfortunate that there is no law to deal with such individuals.

The shares are not actually listed on the Montreal curb, but some market for the stock prevails between brokers here and in Montreal.

Canadian Fidelity

In your recent reply to my letter regarding the financial standing of certain insurance companies you omitted referring to the United States Fidelity and Guarantee Co. and the Fidelity Insurance Co. of Canada.

Would be very grateful to you for some information regarding either one or both of these companies.

With regard to the United States Fidelity and Guarantee Co. and the Fidelity Insurance Co. of Canada, we believe that both these companies offer good investment opportunities in the insurance fields. As you probably know, the U.S.F. & G. Co. is the parent company of the Fidelity Insurance and the latter is controlled by the former.

Colonel A. E. Kirkpatrick is the president of the Canadian company. Both companies are leaders in the casualty and guarantee insurance fields. The Canadian company is on a dividend paying basis of $6 per $100 share and although the stock is quoted at between $125 and $130 we believe it is rather difficult to get. It is fully paid up.

The stock of the United States Fidelity and Guarantee Co. is at present quoted at $365 per share. This represents a substantial appreciation over the price a few months ago and gives some indication of the high regard in which this stock is held by insurance investors. Some time ago the company gave its shareholders stock rights which were on the basis of one share of new stock for every five then held.

Consumers' Gas

I wonder if you can give me your opinion on Consumers Gas?

Consumers' Gas is a very good stock. The company is financially sound and supplies all the gas to the City of Toronto under a franchise which permits it to earn enough to pay 10 per cent. dividends on the common stock. Relations with the city are fairly good and while an occasional alderman stands up for vote-catching purposes and proposes public ownership of the gas plant, the movement is not at all serious and even if it were the company would have to be purchased at a price that would give the shareholders well above the present price on liquidation of the company.

The stock has recently had a very good rise and is selling very close to 200, at which price the yield is slightly over 5 per cent. This yield is, however, high enough in view of the fact that the company's common stock may be rated as equivalent to a very good corporation bond. There is a strong probability that the actual ultimate yield to the investor will be higher. The company issues no bonds and when it has extensions to finance, it sells common stock to the shareholders at something under the market. This gives the stock holders an opportunity to get a little more than their ordinary yearly return. Those who have bought the stock and have held it for a number of years and have exercised all their rights have reduced the actual average price of their holdings to a figure which enables them to earn a very good yield on their investment.

We do not look for remarkable advances in Consumers' Gas now, as it is up about 30 points this year. It is a tried, conservative investment and will give the stock holder a better yield than the present price would indicate that is, because of the stock rights—but it has reached the point where it is better as a foundation for your investment, than as part of holdings for appreciation.

Besco's Subsidiaries

What are your views on the outlook for the future of the preferred shares of Nova Scotia Steel and Coal, Dominion Iron and Steel, and Dominion Steel Corporation?

Your question regarding the future outlook of the preferred shares of the operating companies of the Nova Scotia steel and coal industry is indeed hard to answer.

We have sent you a chart of the line-up of Besco and its component companies. From this you will see that in addition to the bond issues ranking ahead of the Dominion Iron and Steel preferred, there are also income bonds to the extent of $3,500,000. While the receivers have been successful in obtaining an increased volume of business for the Dominion Iron, yet there is nothing to indicate that the company is making improved profits from this business. In any event, there is still the arrears of bond interest outstanding. The increased business which has come to Dominion Iron has undoubtedly helped the company; but such benefits have consisted probably in reduced overhead from the larger scale of operations, rather than earning profits on the preferred shares. Due to the unstrategic location of the Dominion Iron plant, our feeling is that there are few bright features in the outlook for the stock, more especially as the Dominion Iron stands little or no chance of making profits after meeting interest on its income bonds.

At the present time, the receivers of the Dominion Iron and Steel are asking the courts to place the Dominion Steel Corporation in liquidation as it cannot meet its guarantee of the consolidation mortgage bonds of Dominion Iron. What the outcome of the litigation will be depends on the attitude of the Privy Council. In its holdings of the Dominion Coal common, the Dominion Steel has undoubtedly very large assets with a large potential earning power, but in addition, the company has a large liability in its guarantee of the Dominion Iron bonds. Thus, the outlook for the future of this stock is anything but rosy.

The Nova Scotia Steel & Coal Company preferred has large assets behind it, but like all the other large assets of Besco, there is little earning power under present conditions. As far as we can gather, there seems little hope of the operating companies of Besco ever returning to a position from which they will be able to obtain earnings sufficient to pay regular preferred dividends. Thus we could say that the outlook for the future of your holdings is decidedly unsatisfactory. When Besco is finally reorganized, you will probably obtain other securities in exchange for your stock. In the meantime, though, we can hold out no hope for any market appreciation in your holdings.

Saskatchewan Mining

Apparently great development in mining is commencing in Northern Manitoba and Saskatchewan. What stock could one buy now in order to participate in the financial returns which will ultimately accrue from that development?

Unless the Whitneys undertake to make a public offering of Flin Flon shares, Mining Corporation is the only stock that can be purchased in the open market which would allow for a share in the profits which will accrue from the development of this large enterprise. Practically surrounding the Flin Flon is the Callinan Flin Flon, a company promoted by Toronto men of high standing, and which is being financed by private subscription in Toronto, and which I understand has been very successful. This company not only has very valuable holdings adjacent to the Flin Flon, but also has another property to the east called the Baker Patton and which is regarded as quite a sensational discovery. Further to the north is a property which ranks almost as large as the Flin Flon which is known as the Sherritt-Gordon. This proposition is also being financed in the east. The company is capitalized at $6,000,000 with 3,000,000 shares issued and our understanding is that shares are now selling around about $6 a share.

Investor Wonders Why Oil Stocks Should Be Called "Speculative"

Editor, The Financial Post:

In reading your usually interesting comments over a period of years on investments, etc., I notice you invariably class the oil stocks, such as B. A. Oil, Imperial Oil and International Petroleum as "speculative," and have often wondered your reason.

Let us start with International Petroleum. This company, I understand, has an almost unlimited monopoly of producing wells and tremendous leases of land in South America. Their production is increasing yearly by tremendous bounds. It is my understanding if the market for crude oil is depressed and unprofitable in the States, this company has a field in Canada and other parts of the world and even if these other markets are so bad that the sale of crude oil is not profitable, they can close down their wells without the possibility of being drained by competitors, as exist now in the United States. International Petroleum, as I understand it, is controlled absolutely by Imperial Oil Limited. Unfortunately neither of these companies furnish financial statements to their shareholders, so it is only confidence in the personnel that leads the majority of their outside stockholders to retain their stock.

Imperial Oil, as you know, is controlled by Standard Oil of New Jersey, from whose financial statements one can get a fair idea of their substantial financial worth, although I understand even these statements do not show their full worth at time of issue as a great deal of their properties are shown at actual cost years ago, whereas the properties have enhanced enormously in value.

Why should you regard these important companies, with tremendous investments in the States, in Canada, and all over the rest of the world when they are linked together, as speculative? Based on their past records for earnings, modern developments and high grade personnel, I, personally, feel you have not expressed as favorable an option for the benefit of prospective investors as that to which they are entitled.

As a little illustration I bought some Imperial Oil twelve or thirteen years ago, just after the first 100 per cent. dividend was declared, which notice in the paper brought it to my attention. I knew nothing of this company except that it was the Canadian branch of the S. O. of N. J. I have let it accumulate, taking advantage of later stock offers, bonuses, etc., so that at present I have a market value of three and one-half times the original cost. A recent stockbroker's analysis of Imperial Oil showed that if one purchased 100 shares in 1914 at $125 and took advantage of Rights and Dividends, etc., involving in all to date $38,580, this would now represent:

Present holdings 4.928 shares:

Current worth at 62 ...	$305.526
Dividend received	49.472
	$355.008
Original cost	38.580
Appreciation	$316,428

I think many an intending investor is missing a good thing by your well intentioned suggestions. I still continue to buy a few shares each year for my children for their birthdays, and I will wager a good bottle of Scotch that in ten years it will have more value that some of the other industrial stocks you recommend from time to time.

I close with no hard feelings, but would like a little personal explanation from you.

• • •

We have just been checking back over our file of these three oil stocks and find that we have consistently advised their purchase as speculative investments. Sometimes we have classified them as "business man's investments." We feel that this is where they belong. They have given wonderful returns in the past and we have considerable faith that they will continue to do so. But there is no assurance of this. The companies are liable at any time to be subject to conditions, at present unforeseen, that would materially alter their position. There is always the possibility of government intervention in the gasoline distribution, of revolution, in the case of International Petroleum, or of serious competition that would interfere with their earning power. These things are the speculative elements in the stocks. We would not be justified in classifying them as sound investments, thus leading widows and other people dependent upon the income from their investment, to purchase the securities. Such investors cannot afford to take chances.

Definitely, in reference to these securities we feel that there is some considerable element of speculation. Even the earnings of the companies are not known and are speculative quantities. The directors of these companies have not the ordinary courtesy and feeling of responsibility towards their shareholders that would lead them to give those shareholders information regarding profits, that is their just due. There are only rumors as to what the earnings of these companies are.

For instance, we are told that International Petroleum earnings are about $5 a share this year. If this is true, the stock is worth decidedly more than the present price. We are also told that this year Imperial Oil earnings will be very little more than the present dividends. This means about $2 a share and we understand they earned about $3 a share last year. These earnings by themselves certainly do not justify the present price. British American Oil earnings are also unknown. Big investors in the company advised their friends to sell when the old stock was $80. The equivalent price is now about $150 for this stock. This, by the way, was only about 15 months ago. Would the directors who privately recommended the sale of the stock at $80, 15 months ago, now consider the present price thoroughly justified?

There is some doubt as to whether or not these oil companies can continue to earn their present high margin. Our understanding is that the margin on the sale of gasoline, that is the wholesale margin, is about six cents a gallon. Imperial Oil is a dominating factor and it has set the price of gasoline. Others have followed. Many people think that they have set the price of gasoline at an unusually high figure.

Industrial companies are entitled to a fair return, a return that will attract new capital to the country for new industries. We believe that 99 times out of 100 when corporations are charged with making excessive profits they are in reality obtaining a fair profit or one that is less than fair. This may be true of the oil companies but lacking the facts we are not prepared to defend the companies.

Some day they will find it in their own interests to publish their financial reports. When they do one of the speculative elements in their shares will disappear.

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History of Maritimes Linked with Acadians

Stoical Sufferings of First White Settlers of Canada Stand Out as Striking Example of Heroism and Martyrdom —They Placed Faith Before Worldly Gain

By ADRIEN RICHARD

"The Acadians," the name of a little group of people, the first white settlers of Canada, will always be linked with the history of the Maritimes. Their tragic past will ever stand out as a striking example of heroism and martyrdom, the record of a people who, placing love of their ancient faith, of their national tongue, of their mother country before worldly gain, sacrificed their all rather than submit to the tyrannical demands of their conquerors.

The sad story of their banishment from the homes of their fathers, has been immortalized in Longfellow's Evangeline and yet much has not been told, much will never be known of all the sordid details. Present day writers have done much to bring to light facts which were brushed over in the past or deliberately concealed. Evidence has not been lacking to show that every effort has been made to cover up official documents and records which would place the guilt upon its authors.

First Settlement

The first French settlement of Acadia took place in 1604 when, after a voyage of discovery, a gallant little band, headed by the Sieur de Monts, and Samuel Champlain, the founder of Quebec, wintered on an island at the mouth of the St. Croix River. The rigors of the climate played havoc with the Frenchmen and deaths were many from exposure and disease. The following summer the party crossed the Bay of Fundy and established a fort at Port Royal, now Annapolis. Here the first permanent settlement was made. A rude fort was erected and the few colonists who had accompanied what was largely a military expedition, began the task of carving homes for themselves in the wilderness. They were abandoned to their fate by their chiefs in 1607, but by 1613 had made sufficient progress to warrant an attack at the hands of an English freebooter, from Virginia, who razed their little fort and settlement to the ground. The handful of survivors persisted in their attempts at settlement, but in the meantime Acadia passed to the British and in 1621 Sir William Alexander, a Scotch knight, secured a grant of Acadia. A few Scotch settlers were brought out, but the English rule was not of long duration and in 1632 the country had again passed to France, the Scotch colonists who remained became absorbed in the French element but their names have come down to the present day.

It was in this year that the first real attempt at colonization was begun. Some three hundred settlers arrived from France, accompanied by missionaries, and abandoning the precincts of the oft beleaguered fort, set about establishing farms along the valley of the Annapolis. By 1667 Acadia passed again into the hands of the English and was again restored to France. In the interval the French population had increased to 400 souls. The settlers unlike those in many other parts of the country had forsaken the life of the fur trader and settled down to tilling the soil. In 1675 wishing to place themselves as far as possible from Port Royal, always an attraction for raiding English vessels, some of the colonists moved to Minas Basin and here the famed Acadian settlements of Grand Pre, Pizquid, Beaubasin and many others came into being.

Refuge in Forest

What these people suffered in the interval has been passed over in silence by many historians. In less than one hundred years, between the founding of the colony and 1707, Port Royal had been raided by the English a half a dozen times, the fort destroyed by fire and the women, old men and children forced to take refuge in the forest with what little they could snatch up and take with them, while their able-bodied men fought a losing battle against a stronger foe.

Settling in the more isolated districts along Minas Basin the people were free from attack, the garrisoning of Port Royal was left to the military while these people devoted themselves solely to tilling the soil.

In 1701, the little colony had grown to a population of nearly 500. Cosy homes had been built, smiling, well-kept fields surrounded them, and all was contentment and happiness. Living like Republicans, unmolested by either French or English soldiery, they lived in a kingdom to themselves. In 1704, they suffered the fate that had so often been that of their fathers at old Port Royal, an English force under Colonel Church swept down upon them, destroyed three villages, cut the dykes they had labored so long to build and which had furnished them with their rich meadow lands, killed all the cattle and passed on. Undaunted, the Acadians resumed their task and by 1710, the traces of the rack and ruin were being obliterated. Then Port Royal was again besieged and capitulating after a gallant siege passed, out of the hands of France into that of England's for the final time.

The garrison surrendered with all the honors of war and under the terms of the capitulation it was agreed that all the Acadians living within a three mile radius of the fort would be given a year to remove themselves and their belongings to French soil. At this time, France ceded Acadia to the English, by this, they maintained, they ceded the peninsula of what is now Nova Scotia, reserving Cape Breton with its strong garrison town of Louisburg and also what is now New Brunswick. The English claimed that the cession included all Acadia.

Then began the controversy that was to engulf the innocent Acadians in the dispute between nations. Although French settlers living within the three mile radius were given the right to withdraw, this did not apply to the Acadians' settlements in the secluded Minas Basin. They were informed that they might remain if they would take the oath of allegiance. As this necessitated forswearing their religous beliefs, and taking up arms against fellow countrymen, the Acadians announced their decision to abandon the homes they had created at the price of so much labor and began to move to French soil to begin once more the struggle with the wilderness. This did not fit in with the plans of the English garrison. The presence of the Acadians assured provisions for the fort, and a measure of protection from the Indians who from the earliest days had been friends of the French settlers and the implacable foes of the English. Abandonment of the country by the Acadians also meant the passing of fruitful farms back to wilderness again. For this reason, steps were taken to block the passage of the Acadians from the country. They were refused transportation in English vessels and French vessels were forbidden entry to the country. Vessels constructed by the oppressed people themselves were destroyed by order of the English governor. At the same time they were warned that all their possessions would be forfeited if they attempted to leave the country.

From 1713 to 1730 every effort was made to make these poor and simple rustics take the oath. Their constant reply was that they had already made an agreement with the French officers to return under the rule of the French king, but they announced their willingness while in Acadia to do nothing to prejudice the rule of the English king. Finally, under Governor Phillips, a compromise was arrived at and the Acadians took an oath which provided they would be allowed the free practice of their religion, and would not be called upon to bear arms against their countrymen or the Indians. It was at this time they acquired the title of "French neutrals." Under the guarantee of this oath the people gave up all idea of returning to French soil and again took up the task of clearing the forest and establishing new farms.

In 1744, war again broke out between England and France, and French forces invaded the country, but in the face of pressure from the French troops, the Acadians remained true to their oath and refused to join in the attack on the English. The following year English military and naval forces assisted by the militia from the New England States captured the French stronghold of Louisburg, and in 1749, the garrison town of Halifax was founded. It was then that the first attempt at colonization by the English was begun.

Tactics Changed

With the French forces definitely driven from the peninsula the tactics of the English changed, and the Acadians were summarily called upon to take the oath of allegiance as it had been presented to them in the first instance. Letters from the English Governor to the Lords of Trade, a body bearing somewhat the same relation as the foreign office of to-day does to colonial administration, set out the intention of making the Acadians as useful as possible, and at the same time of placing every obstacle in their way to leave the country. As in other days the Acadians replied to the attempt to make them take the oath that their conscience would not permit them to do so, but they again announced their willingness to renew the oath they had given Governor Phillips.

In 1755, the French erected Fort Beausejour at the head of the isthmus and the English Fort Cumberland facing it. In the war that ensued the French were defeated, and all danger from French invasion was definitely put at an end.

Then it was that Governor Lawrence took the steps which will ever cause his name to stand out as that of one of the greatest tyrants. By proclamation he called upon all Acadians to surrender their arms. Although such a measure placed the flocks of the settlers and their own lives at the mercy of the wild animals, and at the same time to the attacks of the Indians who through all the conflict remained the allies of the French and the sworn foes of the English, the Acadians complied with the order.

The men of the different settlements were then ordered to assemble in the churches to learn of the intentions of the English governor. Unarmed and defenceless, the Acadians with the submission and obedience which had marked their whole attitude in the face of over forty years of oppression, obeyed the command.

Here surrounded by armed English soldiers they were informed that by orders of His Majesty the King, all their lands and houses, goods and chattels were declared confiscated, and that they themselves were to be removed from the province, and that it was the King's hope that in whatever part of the world they should be taken, that they would prove faithful subjects and a peaceful and happy people.

Held Under Guard

While the greater part of the Acadians were held under guard, certain of their number were released to convey the word to their families to gather up their personal belongings and join the prisoners. Threats of the destruction of their homes by fire were sent out. In the case of the failure of certan members of families to surrender themselves, the fathers were taken to the homesteads and the houses given over to the torch. In this manner the majority of the Acadians from even the most outlying settlements were finally rounded up. Then the task of embarking them upon the convoys brought for the purpose was begun. After a month of waiting for sufficient ships to complete the task, the fleet numbering 29 vessels loaded with 3,700 souls gathered from all the French settlements along Minas Basin, Cobequid Basin and Shepody, set sail.

The amount of space was limited, the confusion great, and whether deliberately or not, families were separated, fathers placed on one ship, mothers on another and their children on a third.

A great storm came up shortly after the fleet reached the outer bay and the ships were scattered. In compliance with their orders the captains of the different ships made their ways to their ports of destination. Three landed their human cargo in Annapolis, Maryland; six in Virginia, three in Boston, two in Philadelphia, and another in Connecticut.

Although the great majority of the Acadians were thus entrapped, many had been able to escape to the woods. Others living in remote settlements knew nothing of the fate of their friends. To these settlements troops were sent and for a period of several years, the luckless people who had escaped their first raid were made prisoners, and sent on ships to the American colonies, to the West Indies, to England and in some cases to France. In all over 12,000 were thus deported.

Great Hardships

The plight of the Acadians in a hostile country was pitiful in the extreme. Penniless, speaking a foreign tongue, regarded with contempt, and in many cases fanatical hate, they were forced to shift for themselves as best they could. The crowded and unsanitary conditions in the ships, the lack of suitable living quarters in the different countries to which they had been sent, soon spread disease among them, and to the hundreds of those who had already lost father or mother, sister or brother, wife or husband, in the confusion of embarkation, was added those who had met the same loss through death.

In the meantime, those who had succeeded in eluding the British troops made their way during the rigors of the winter weather through an utter wilderness to Quebec, others to what is now Prince Edward Island. Without firearms, they had to depend for food on whatever they might secure by fishing or setting snares, for clothes on the skins of animals. Many perished, but some succeeded in establishing wretched settlements, but these were not destined to endure. The English soldiery were kept remorselessly at their task and even in the most secluded settlements the Acadians were taken in charge, their crops destroyed, their houses burnt and they themselves banished from the country.

In the meantime, the American colonists voiced their displeasure at the continued landing of these people in their country. The first comers were hopelessly exploited and used as hewers of wood and drawers of water. But hope springs eternal in the human breast, and those who had become separated from their loved ones, made their escape one by one, and set out through the wilderness to seek in the other American colonies those whom they had lost. In many cases the journeys endured for a life time to end finally in death. In others at least a remnant of the family was reunited, and these dauntless souls set out on foot to trek back to their beloved Acadia.

Here they came upon the well-tilled lands of their fathers, in many cases fast receding into wilderness, in others occupied by English, American, Dutch and German immigrants brought out by the English Government. From them they received little welcome, although in some cases they were employed as servants and their knowledge of farming brought into service for the benefit of the newcomers who were quite ignorant of the requirements of the country.

Further into Wilderness

Despairing of establishing themselves on the sites of their old settlements, the Acadians moved further into the wilderness and in the most secluded spots again began the task of making homes. The first settlements began about 1769, and up to the time of the American Revolution the people were left undisturbed. Then came the end of the war and a flood of United Empire Loyalists came into the country. Much progress had been made by the Acadians in clearing the forest. Their farms proved an attraction to the new comers and the Acadians were at once ordered off, and the new comers settled down in their stead.

A lifetime of oppression, of heartache and disappointment, had endowed the Acadians with a patience and a forbearance passing understanding. Defenceless, they bowed submissively to the superior force and set out to seek new homes in the wilderness again.

It was not until 1827 that the Acadians in common with the other Catholics were placed on an equal political footing with the Protestant inhabitants of the country. By that time they had established settlements on St. Mary's Bay, and Canso, in Nova Scotia, on Cape Breton Island, on the Magdalen Islands, on Prince Edward Island, at Memramcook, Shediac, and along the north shore of New Brunswick and in Madawaska on the upper St. John River. From the few hundreds who returned to the country of the 12,000 deported in 1755 and the succeeding years, there had grown by 1825, a population of some 25,000.

From this time better days dawned for the Acadian people. Although penniless and totally dependent upon themselves, an axe their sole means of livelihood, these early pioneers fashioned agricultural implements, and household utensils solely from wood. Gradually they established homes in the forest clearings, or settling down by the sea became fishermen. Better relations sprang up and the feelings of the English settlers towards them softened. Hard work, simple living, thrift and industry brought their reward and gradually the Acadians came into their own.

To-day, the Acadians constitute a large porton of the population of the Maritime Provinces. The last Federal census credited the Acadians with a population of 121,111 out of a total population of 387,876, or over 31 per cent. In Nova Scotia, the Acadian population was given as 56,619 out of a total of 523,387, or nearly 11 per cent., while in Prince Edward Island, the Acadian population was 11,971 out of a total population of 88,615 or 13.5 per cent.

Although the main portion of the Acadians resettled in the homeland, many established themselves in the Province of Quebec, in Gaspe, Labrador, and in Louisianna, where they constitute a large portion of the population.

Occupied High Office

The Acadians in the Maritimes have for many years past taken a prominent part in the affairs of their country. An Acadian has been premier of New Brunswick, another of Prince Edward Island. Acadian judges have graced the bench of these two provinces, Acadian senators, and Acadian commoners have sat at Ottawa. In the provincial parliaments Acadians have represented their people in the government and in opposition. Two Acadians have been raised to the episcopate and are now administering dioceses in the Maritimes.

The first Acadian college was established in 1847. To-day in the Maritimes, Acadians are served by a university, two colleges and a number of academies and convents for the education of their youth.

Acadians have won scholarships to the Maritime Universities, to the University of Oxford under the Rhodes Scholarship plan, and to the universities of France.

During the Great War the Acadians responded to the call to the colors with enthusiasm, many volunteered at the outset of the war and a regiment designated as the 165th French Acadian Battalion was recruited from their ranks alone. Although this was the only regiment so designated, several of the preceding Maritime regiments were predominantly Acadian.

The Acadians of the Maritimes have been subject to the same economic laws as the other citizens of the Maritimes. The farm lands have not sufficed to retain all the members of large families in the country, and the exodus to the New England States, and the Canadian West has been heavy and continued for many years. It is estimated that in the New England States to-day, there are over 50,000 Acadians.

Wherever they have gone the Acadians have made names for themselves. Thus in the United States, and in Quebec, Acadians have become governors of state or province. In the Prairie Provinces, Acadians have been raised to the bench, and elected to parliament.

In the Maritimes themselves the Acadian people are taking an increasing prominent part in the direction of their country. Preserving ther language, their faith and their modes of simple living they constitute one of the most stable elements in the national fabric.

Lure of Cities

In many sections of the Maritimes, the lure of the big cities has proven too much for their English speaking compatriots, and Acadian farmers have succeeded to the lands that they have abandoned. In spite of this and notwithstanding their peaceful penetration into former wholely English speaking communities, the site of the homesteads of their fathers, the land of Evangeline, remains an English stronghold yet. Even to-day, but one Acadian lives in the old village of Grand Pre.

The Acadians, however, have never forgotten the scene of their forefathers martyrdom. The sad tale has been handed down from generation to generation, and in recent years to commemorate the glorious memory of the Acadian exiles, a chapel has been erected by public subscription on the site of the old Grand Pre Church, and the monument of Evangeline has been placed beside the old well and the willows planted by the early Acadian settlers.

Here the Acadians of the Maritimes have assembled in national pilgrimages, their ranks augmented by delegates from Louisianna, descendants of those Acadians who sought refuge there after the exile, from the New England States, from Quebec and from the distant lands to which the Acadians were exiled or have since roamed. Here in the old village of Grand Pre have they met and paid sacred and loving homage to the martyrs of 1755, their heroic suffering. Here have they given thanks for the glorious heritage and illustrious patrimony handed down to them by their sires.

Business Conditions in United States

As indicated by cheque payments, the dollar volume of business during the week ended December 10 was greater than during either the previous week or the same week of 1926, according to the weekly statement of the Department of Commerce. Wholesale prices strengthened slightly as compared with the previous week, but were still below the level of last year. Prices for cotton were lower than in the previous week, but higher than in the same week of the preceding year. Iron and steel prices continued to average lower as compared with both prior periods. Receipts of cotton into sight were lower than in either the previous week or the corresponding week of 1926.

Loans and discounts of Federal reserve member banks again expanded, being substantially greater also than in the corresponding period of last year. The Federal reserve ratio again averaged lower as compared with both prior periods. Prices of stocks listed on the New York Stock Exchange averaged lower than in the previous week, but were still substantially higher than a year ago. Loans by Federal reserve member banks in New York City to brokers and dealers, secured by stocks and bonds, reached a new high point during the week. Interest rates on call loans strengthened as compared with the previous week, but were lower than in the same week a year earlier. Bond prices, showing no change from the preceding week, averaged higher than a year ago. Interest rates on time money, although showing no change from the previous week, were lower than in the same week of last year.

Production of bituminous coal during the week ended December 3 was greater than in the previous week, but smaller than a year ago. Lumber production during the same week was larger than in either prior period. Beehive-coke output was smaller than in either the previous week or the same week of last year.

Weekly Business-Indicators
Relative numbers, average 1923-25—100

	Dec. 3 1927	Dec. 4 1926
Bituminous coal production	93.2	150.6
Lumber production	102.8	98.2
Beehive coke production	84.3	78.0
Petroleum production (daily average)	119.1	114.7
Freight car loadings	...	110.4
Building contracts (27 states)	78.3	83.9
Wheat receipts	112.0	68.5
Cotton receipts	195.8	281.5
Cattle receipts	113.9	110.8
Hog receipts	98.5	96.3
Price No. 2 wheat	...	97.2
Price cotton middling	73.2	44.5
Price iron and steel composite	85.0	92.9
Fisher's price index	93.8	96.2
Bank loans and discounts (ttl.)	121.7	115.0
Debits to individual accounts	111.4	108.8
Interest rates, call money	100.0	118.2
Business failures	110.6	113.8
Stock prices	185.3	140.9
Bond prices	110.8	107.1
Interest rates, time money	97.1	105.7
Federal reserve ratio	91.9	93.2

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Drama of Pioneer Life Shown in Bruce's Career

After Forty Years Crowded with Activity in Connection with Canadian Pacific Railway, Randolph Bruce Reaches Zenith as Lieutenant

By CHARLES L. SHAW, Vancouver

Forty years ago a rather awkward looking young man wearing a top hat and a frock coat walked into the private office of the late Thomas Shaughnessy, then general manager of the Canadian Pacific Railway, and presented letters of introduction from the leading citizens of Lord Mount Stephen's native Gleninnes, Scotland. The young man asked for a job and got it. The construction boom was reaching its zenith then and the C.P.R. needed young men with engineering training, but there was a tone of warning, if not scorn, in Shaughnessy's voice when he remarked, "Young man, if you want to get on in Canada, you'd better take off that coat and hat."

So the young man took off his coat and hat and went to work and Shaughnessy lived to see Randolph Bruce become one of his company's ablest young engineers in the west and eventually one of British Columbia's biggest figures in mining and land settlement projects.

Semi-Retirement

He did not live to see Bruce reach the peak of his career when a few months ago he was appointed lieutenant governor of British Columbia. Bruce has accumulated more of the world's goods than he is likely to spend in a life-time and he is content now to enjoy the comparative ease of his new station as the King's representative at Victoria. His life, now one of semi-retirement, has been crowded with activity, saturated with the drama of pioneer life in the wild mountain country of the Columbia where most of his fortune was amassed.

Just at present Bruce rides three hobbies. The first of them is listening to the bagpipes, and he has a plaid-clad piper on hand at all his state functions. The second, which is more easily excused, is his love for the Windermere country in the Columbia Valley, where he has established one of the most charming country homes in Canada, and the third is a determination to correct false propaganda in the Old Country concerning Canada. Every year he goes to England where he invariably seeks out some avenue to turn aside this tainted current and pour in fresh waters of truth as regards Canada's opportunity for the new settler.

Tide of Immigration

"I have been amazed and stirred to indignation," he said recently. "The information published in a great many English newspapers and spread by word of mouth in the Old Country is often so erroneous that it may be regarded as malicious, although perhaps it would be fairer to term it as irresponsible. It is satisfactory to realize that at last there is evidence that the Old Country is beginning to understand the Dominion. Canada is still "The Lady of the Snows" and "The Wild West" in the distorted view of some sections of the British press. When we get that impression safely removed from the minds of the British people, we may expect the greatest tide of immigration in our history."

The son of a Presbyterian clergyman, Bruce was taught early in life that there is no substitute for toil. While not of a particularly studious disposition, he had a natural aptitude for learning things, and graduated from Glasgow University with honors. From there he went to the engineering works of William Denny & Brothers, of Dumbarton, where he was given a modest job.

Waiting to fill dead men's shoes did not appeal to Bruce and, besides, he had heard about the fortunes to be made in the western continent. Eventually he sought out Shaughnessy, presented his credentials and was assigned an engineering post with the C. P. R. in the New England states. Then he was transferred to one of the western divisions and helped to survey the Crow's Nest route through the Rocky Mountains. When construction ceased on the C. P. R., the outlook for the young engineer was uncertain. The only money being made in the Rock Mountain country at that time was in mining, so he decided to look about for an opportunity in that field. In those days the Kootenay country, which has given Canada some of its richest mines, was just beginning to come into its own. Tented communities sprang up overnight at many points where minerals had been found in paying quantity.

Failed to Justify

Among the newer discoveries at the time were the Red Line, the Paradise and the Delphine. The Rossland mining boom was at its height, and ex-governor MacIntosh, who put over the Le Roi deal, was looking for new worlds to conquer. He bonded the Red Line for $150,000, but his engineers turned it down. Then along came Tiffany's, of New York, and the deal was closed, and a few months later the manager committed suicide because development failed to justify the value placed upon it.

Fortunes were being made and lost in bewildering rapidity and things were happening thick and fast in the mining camps when Bruce first heard of the "Parradice" mine, discovered by an illiterate prospector who was more anxious to record his claim than to bother about spelling when he rushed into town to go through with that formality. Bruce, with the aid of newly-found friends, took an option on the property for $30,000 and shortly afterwards became a partner of Herbert Hammond, of Hammond & Osler, the understanding being that Bruce would do the work of developing the mine, while Hammond provided the cash.

Acquired Timber Area

On acquiring the Paradise mine in 1900, Bruce extended the holding to nine claims and acquired a large area of timber between Toby Creek and the head of the Spring Creek for construction, mine and fuel purposes. He at once put in hand what was probably the most intensive development campaign ever seen in a new camp in British Columbia. He built several roads, remarkable for the easy grade which they maintained through mountainous country. When navigation opened he shipped ore down the Columbia River to Golden, whence it was carried by rail to the Trail smelter.

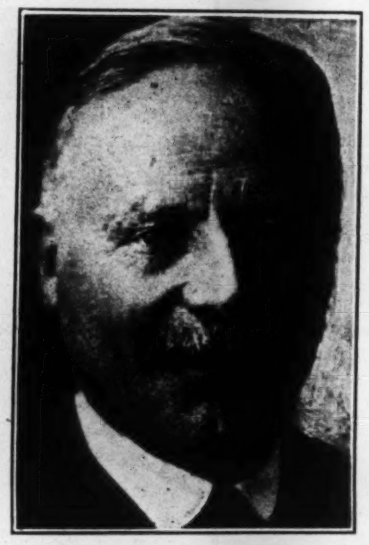
There seemed to be no end to the ore vein, and Bruce laid out the town of Wilmer, which became not only camp headquarters but an important distributing centre for a large area. Paradise Mine was a steady shipper from 1901 to 1906, when operations were suspended to await the building of the Kootenay Central Railroad. In the following year, Bruce received his first offer for the mine—$400,000 from an Anglo-French company. But then the financial panic came, negotiations ceased and Bruce concentrated on other things. He became interested in land settlement. Lead poisoning, which since then has rendered him almost blind, first threatened him at that time and he decided to stay away from the mines as much as possible.

In 1916 Bruce returned to his old love long enough to put the mine in operation again on a bigger scale than ever. It has been producing ever since, along with several other properties on which an option was recently sold.

Vast Irrigation Schemes

The hobby of immigration and colonization fastened its hold upon him in the early days of the Paradise mine. He organized the Columbia Valley Lands Company, proceeded with vast irrigation schemes, obtained extensive land concessions from the Canadian Pacific Railway, and started to advertise for settlers. His friends of the mining fraternity looked askance at this venture and called it "Bruce's Folly." It seemed to them ridiculous that a prospereous community could be built up there depending on something other than mining for a living. But they had not counted on the magic of irrigation and transportation or the resourcefulness and determination of Randolph Bruce. The settlers came and Bruce became uncrowned king of the Windermere Valley.

Canadian Pioneer



RANDOLPH BRUCE,
who, after forty years of strenuous life with the Canadian Pacific Railway, is now Lieutenant-Governor of British Columbia.

From king of the Windermere Valley to lieutenant-governor of British Columbia is not such a long step, after all, his friends say..

Suggests Better Reports on Finances of Cities

In publishing a survey of municipal finances in Canada, the Citizens Research Institute makes some pertinent observations on methods of presenting civic accounts. It suggests that accounts be established on a revenue-expense basis rather than on a purely cash basis. It suggests the elimination of much of the detailed information. In the opinion of the institute, a great deal of money is wasted in the issuing of ponderous reports which would need to be interpreted by an expert accountant before being intelligible to the tax-payer. Accounts of municipally-owned trading operations should be separated from the ordinary municipal accounts. All charges, including, fixed charges of these operations should be taken care of in expenses. Operating statements and balance sheets of schools should be included in municipal accounts. A complete statement of debenture debt with annual debt charges, properly classified, should be given. The institute also suggests comparison of results with previous years and a complete introductory and explanatory statement by the commissioner of finance or treasurer.

OVER TWO BILLION SPENT ON GOODS MADE IN CANADA

Vegetables Lead Manufactured Products in Domestic Consumption

Vegetable products constitute the most important class of manufactured goods retained for consumption in Canada, from the standpoint of value, according to new data prepared by the Dominion Bureau of Statistics on the disposition of manufactured products in Canada.

Analysis of this report reveals many interesting phases on the ultimate market of Canadian manufactured goods, which hitherto have been comparatively unknown. The value of all manufactured goods in 1925, the latest year for which complete statistics are available, was $2,948,545,315. Of this amount vegetable products account for $632,211,264; animal products, $431,778,163; textile products, $337,188,684; wood and paper products, $557,194,453; iron and its products, $411,378,640, non-ferrous metal products, $159,770,026; non-metallic mineral products, $144,248,592; chemical and allied products, $112,906,746, and the balance devoted to miscellaneous products.

External Trade Important

The above values only represent goods actually manufactured in Canada and do not take into consideration imports of same or exports of goods of similar character. During the calendar year 1925, exports of domestic manufactured goods amounted in value to $692,924,285. Wood and paper products head the list with exports of $257,047,423, followed by vegetable products with $146,052,587 and animal products with $113,075,195. Exports of other products vary from $6,597,159 in the case of textile products to $74,718,455 for iron and its products.

Imports must also be taken into consideration in determining the apparent consumption of manufactured products. In the year under review, therefore, Canada purchased from abroad fully or partly manufactured goods to the value of $671,932,363, or roughly $21,000,000 less than she expected. There is a change in the relative importance of goods imported as compared with exports. Iron and its products, with value of $179,176,515 heads the list, with textile products in third place with value of $142,236,709. Third place is occupied by vegetable products valued at $112,567,721. The other groups are for varying amounts, in each instance though under the $50,000,000 mark.

Consumption Values Higher

The usual practice of the Dominion Government in estimating the apparent consumption of a product or group of products is to take production plus imports and minus exports. On this basis, the apparent consumption of manufactured goods in Canada in 1925 totalled in value $2,927,553,393, as against $2,680,321,820 in 1924 and $2,828,679,833 in 1923. The relative importance of these groups or divisions is shown in the following table:

Consumption of Manufactured Products in Canada—1925

	Value of Products Available for Consumption
Vegetable products	$ 598,726,398
Animal products	342,791,702
Textile products	472,828,234
Wood and paper products.	339,852,818
Iron and its products	515,836,700
Non-ferrous metal prods.	151,016,047
Non-metallic mineral prod.	184,041,744
Chemical and allied prods.	123,817,394
Miscellaneous products ..	198,642,356
Total	$2,927,553,393

It should be observed that considerable duplication occurs in the value of manufactured products where several processes are performed upon a commodity before it is ready for ultimate use.

VALUES OF ASSETS IN BALANCE SHEETS ARE QUESTIONABLE

Marconi Company Given as Example of Difficulty in Arriving at Valuation

By HARTLEY WITHERS,
The Famous Economist

Once more we have had, in the discussion before the court of Chancery of the reduction of the capital of the Marconi Company, an instructive reminder of the impossibility of arriving at certainty about the value of most of the assets in most balance-sheets.

There is no need to concern ourselves with the points at issue in this particular case, because, except to the shareholders, it was only interesting as exemplifying facts which are common to all balance-sheets which display any assets except actual cash held or in bank, or securities with a public quotation and a free market. The amount of the cash held is a definite fact which can easily be checked by an auditor.

Market Quotation

The value of the securities at any particular date, can, if they are officially quoted, be readily ascertained and can be relied on as reasonably correct, if the securities are of a kind that are frequently dealt in and are consequently tested from day to day by actual transactions. If not, if they are among the "wallflowers" of the market which generally sit out and seldom take part in the dance in the middle of the floor, it is sometimes surprising to those who try to deal in them, when they find out how great a difference there may be between an official quotation and a dealing price.

As to all the other assets shown in any balance sheet they are and must be, a matter of somebody's opinion, which is extremely unlikely to be exactly correct.

As to the "stock-in-trade" as it is called, the amount of the unsold stock of its product that an industrial company has on hand at the end of the period covered by the accounts, one might expect that it was a matter of fairly close calculation to find how much has been spent in its production; but a great accounting authority, Mr. Pixley, tells us in his work on the Duties of Auditors that "the amount to be taken credit for in respect of stocks is of supreme importance in many companies, as it is no exaggeration to state that it is frequently possible to double or treble the apparent profit, where the directors and manager together, or even the latter alone without the former, succeed in deceiving the auditor and consequently the shareholders."

Uncertainty of Debtors

As to the debtors, it is easy to be certain as to how much they owe, but opinion must often differ widely as to how much they will ultimately pay and consequently as to how much ought to be set down against them in a balance-sheet that sets out a "true and correct view of the state of the company's affairs."

Such elusive items as patents and goodwill are still more difficult to assess; the Marconi patents were written down to £1; a shareholder who dissented from the scheme of capital reduction thought that they were worth at least a million at a conservative estimate. The managing director argued that they "have no value apart from the business." This is rather a metaphysical point and was probably quite unconvincing to anyone who took the opposite view that a patent which enables a company to earn a big revenue deserves more than nominal recognition in a balance-sheet.

If earning power is lost owing to new inventions which may supersede the patent, the value of the latter is gone, and if the object of a balance-sheet is to show the scrap heap value of the assets, those who argue that patents and goodwill should disappear from it have much reason on their side. Not only so, but the values taken for premises, plant, machinery and all the other component parts of the outfit, should only be entered at the prices which they might be expected to fetch if they were disposed of at a forced sale by the liquidator of a company which had failed to produce a revenue.

But then, is this the right principle on which a balance-sheet ought really to be drawn up? Ought it to show scrap heap value or value as a going concern? This question is very far from being academic. It is of enormous importance from the point of view of the revenue that ought to be exacted from firms and companies, from the point of view of shareholders who want to know what profits are really being earned by the companies in which they are interested and from the point of view of labor which wants to know whether it is getting a fair share of the product which it helps to create.

Valuation of Stock

As the above quotation from Mr. Pixley shows, a difference of opinion about the correct value to be set on one asset alone—stock in trade which is usually a comparatively small item in an average balance-sheet—may double or treble the amount of profit shown.

Profit, being the difference between values set against the assets and the figure of the liabilities, evidently depends very largely on the view taken by the management and the auditors concerning the valuation of the assets; for the liabilities are almost entirely items which are definitely known as having been received by, or as being owed by, the company. And so the question of the policy to be aimed at, in assessing the assets, is extremely practical and supremely important.

In actual practice, the boards of the companies which are best financed lean to the side of scrap heap rather than going concern value. Some of them indeed go rather beyond even the scrap heap principle—there is a tradition in the city that the Bank of England's site stands at nothing in its books. This policy of drastic writing down undoubtedly tends to financial strength and to the improvement of future earning power and so to the benefit of proprietors. But if it is carried out to an exaggerated extent it is just as deceptive, though with a better motive behind it, as the opposite policy of putting too high a value on assets and so overstating profits.

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Young Men Preferred to Fill Bank Vacancies

By PERCY GOMERY,
Canadian Bank of Commerce, Vancouver,
in Burrough's Clearing House

"What is it that prompts you to come to us?"

The high school graduate had presented himself to the official who employs junior clerks for a Canadian bank. The boy was prepared to answer any questions—except that first one asked him. He grinned sheepishly, then said:

"Well, I guess I—" and hesitated.

"Surely you didn't guess about a thing like that?" Then, after an unfilled pause. "Did somebody perhaps send you to us? Have you made any inquiries as to the nature of bank work? Do you feel any special ambition for banking, more than any other line?"

"I've finished school and I've got to get a job," the applicant eventually offered.

"Yes, I was afraid of that," said the official. "I must tell you that we are not looking for young men who merely want jobs. Suppose you think it over for a day or two."

The bank was not at the moment hard pressed, but the applicant looked "likely." The following day he was back.

"My father said I should have told you that I've been thinking of the bank for six months. . . ."

Timely Initial Jolt

This boy has made good in the bank, but the timely initial jolt to his motives has done no harm. It was an artificial means of supplying him with ambition.

Our aspiring banker is given a formal application blank to fill out, told to write a letter to the general manager, to supply a photograph of himself, and is then required to sit down and undergo an examination, consisting of half a dozen mathematical problems and spelling from dictation, the marks for writing being taken from these two.

The blank is, of course, to contain important information. The letter may be a necessary requirement of head office but it is otherwise meaningless, as the writer obtains the form from the first person he meets, if not indeed from the bank official he interviews. The photograph is presumably for identification purposes and for use, later on, when an "appointment" for the clerk becomes an "appointed officer" or "signing officer' when he is made assistant accountant, accountant, assistant manager or manager. While the upward climber might be expected to rise in this order, the great disparity in size and importance of Canadian branch banks under one central management results very frequently in an unappointed senior clerk being in one move made manager of a small branch with no experience as an accountant, which latter office in fact does not as a rule exist at a branch where the staff is less than, say, six or seven employees.

Definite Story

The written entrance examination itself does not always tell the definite story its designer hoped. Recently a report from a branch read: "The usual spring exodus from school and college has brought us applicants who are geometricians, botanists and linguists, but who are unable to solve our simple problems in arithmetic." Nevertheless the bank develops some of its most brilliant men from these ranks. On the other hand there was recently sent to my branch a lad who had passed his examination with honors but had to be instructed as to how to sharpen a lead pencil and to address an envelope and who shortly was adjudged so hopeless that he withdrew from the service.

When the initial requirements have been met, the boy (usually sixteen to eighteen years of age) is accepted on three months' probation, his first manager recommending at the expiry of that period his permanent employment or dismissal. Should the first report be not conclusively unfavorable, the boy is given a chance elsewhere. One of the very largest Canadian banks dispenses with any form of written entrance examination but requires a probation period of twelve months.

U.S. Bank Staffs

While city banks in the United States do presumably engage school graduates who will remain permanently in banking, I have been surprised to find that the average country bank there is run altogether by older men with possibly a lady bookkeeper. In Canada, no matter how small the branch bank, there will invariably be found a "junior" of tender years. Not infrequently the staff will consist of its manager and two or three assistants all in their teens. A census of these lads will show that probably less than one in four is native to the town. A Canadian bank clerk, especially in his first years, is liable to frequent moves from one office to another, although there has been a recent tendency towards permanency, influenced by the expressed dissatisfaction of bank clients who become weary of having to make fresh friends every little while.

The writer of this article was at one time employed in sixteen different offices of the same bank in a single year. This was primarily a matter of relief work, but in general, the moves have professedly to do with the training of the clerks themselves, and an endeavor to have the right type of clerk in various communities. The transferring of city boys to the country and vice versa has undeniable advantages. Country boys need the broadening influence of big business, and city boys are often as a matter of fact more acceptable to the country people, for they bring with them new ideas, are untrammelled by any local family prejudices and for this latter reason are sometimes supposed to be less likely to divulge professional information.

This danger, however, may be taken as more imaginary than real, because each clerk on being appointed to the staff signs a bond of secrecy as to all bank transactions, and in my experience I cannot recall a case where embarrassment was caused a Canadian bank by violation of this bond. When I record that the simple remark at the boarding-house, "Say, where is old Merrick getting all the money?" was the cause of its author being interviewed next morning by the manager and solemnly warned, it will be understood that our customers may generally rely on the bank's silence. And this is another reminder that we want them young, for the speaker referred to was an ex-school-teacher who joined the bank much later in life than the usual age. While doubtless there are exceptions, it is not as a rule safe to take on a "green" clerk older than, say, twenty-one, and it is seldom done. Particularly when a man's previous experience has been in positions of authority, it is trying to himself and out of tune with ordinary office management that he must take orders from youngsters.

Few Cases of Switching

At different periods in Canadian bank history. as for example when a particular bank's policy has been to "step out" and to cover a wider territory, recruits have been sought and enlisted from other banks, but in normal conservative times such as the past few years, there are almost no cases of men switching from one to another. Banks do not like losing staff to competitors, and the golden rule comes to be exercised so that, unless special circumstances prevail, it simply is not done.

Although of course men leave the service, for various reasons at any and all ages, it seems to be the fact that 95 per cent. of the older men found in banks to-day will have spent their business lifetimes with the one institution. For disciplinary reasons, an attempt to re-enter the service of a bank from which one has resigned is often so heavily penalized in the matter of standing and promotion that numerous of our ex-bankers, who have perhaps found outside allurements deceptive, will and do preferably open negotiations with another bank, the general manager of which can promote them according to merit without so much fear of "kicks" on the part of others.

To enter the service of a bank from high school and merely to sail on and grow gray in its service may seem to lack thrill and adventure, but as a matter of practice the Canadian bank clerk has more of these things in his life than could very well come to his cousin in the United States, even though the latter hopped from bank to bank in search of them. The semi-annual reports on each clerk must contain answers to such questions as "What degree of ambition and initiative does he show?" and "Does he evidence any marked disposition towards any specialized aspect of banking?" These reports come to the notice of the bank's highest officials, even though they be thousands of miles away and might never see the subject of the report. This is especially true, naturally, if there is an outstanding gift or attainment to be disclosed.

Thus, the case of an extremely raw and unlikely looking lad who commenced his career in my office. He swiftly developed unusual qualities of initiative and trustworthiness, which I reported. He was withdrawn from my branch for reasons unknown and presently I noticed him manager of a branch in South America. A large bank conducted an ad-writing competition for its thousands of employees. The man who won first prize was, shortly afterwards, brought all the way across the continent and made advertising manger of the bank. Another young man, to all appearance buried among a large branch staff, was suddenly ferreted out by the powers that be because he had been reported as showing an aptitude for foreign business. The last time I saw him he way on his way to the Orient on a special mission for the bank.

Unit Bank System

These men might have found their level in the unit-bank system. The point to be noted is that, in the branch system, they could not very well dodge it.

Inasmuch as scarcely any of our employees ever own stock in their bank—and the capital is too big anyway for any one person to own any appreciable percentage of stock—promotion is by merit, not unmixed with length of service. We have on rare occasion heard the term "director's pet," but in the long run it is doubtful whether this qualification is an advantage or the reverse. Head office fully realizes that the morale of the staff is maintained by its belief in impartiality, and as all "appointments" are announced by circular throughout the length and breadth of the service, the folly of any intentional unfairness is altogether too costly to be frequent.

In the large city offices numerous boys are taken on as messengers or page-boys, and it is apparently a relic of Old Country banking and perhaps rather undemocratic that these lads, no matter how favorably reported on, are seldom or never made officers with the possibility of appointment as accountant or manager.

As, during the war, enlistment among bank clerks was extremely heavy—from my own bank about 60 per cent. of all ages and both sexes, which meant probably 80 per cent. of the clerical force—women workers were very largely employed, though nearly always as "temporary clerks" without pension or permanent employment privileges. Marriage has been the fateful reaper of these battalions, and, nowadays, our banks are little interested in applications from girls without business experience. Those remaining are mostly in the larger offices and seem to be limited to stenographic or clerical positions, particularly ledger-keepers, where long familiarity with the positions make for efficiency and smooth running.

In one sense at least it cannot but be taken as complimentary to our Canadian training that whereas, to my knowledge, there is not a single case of an American-trained bank clerk in our institutions, I have found it quite unusual to visit a United States banking office of any size anywhere without finding one or more Canadian-trained men on the staff, usually in positions of importance.

It may be asserted that the reason for this is that the foreign banks offer greater rewards, although my travelings and inquiries do not quite confirm the presumption. While a table of actual comparative salaries would be highly interesting, my private conclusion is that, position-for-position among ages twenty to thirty, city salaries in United States are rather higher; but length of service counts for more with us, so that, in a man's later years he will be doing better in Canada.

In the matter of sick-leaves, health-residence options and opportunities for seeing the country, even seeing the world, Canadian banking service is extremely generous. Also, as each of our banks employs a veritable army of employees whose life work is the bank, the organizing of insurance and pension schemes is simpler and they are certainly very important in retaining the personnel intact. Annual holidays are not only regular but compulsory. There is an unwritten rule that leave of three months be given each ten years, and special leaves are granted, again with generosity, especially if the leave has to do with any public affiliations the officer has formed, for the banks recognize the duty to contribute thus to public-spirited movements of all sorts.

The years before the war and immediately after it, saw an unjustified multiplicity of branch banks in Canada, which has been followed by the inevitable shrinkage, further emphasized by amalgamations. This has created a class of bank employees, above the rank of clerk and still below the rank of manager, whose members have been perhaps impatiently waiting their chance. The commercial and general developments which at the moment appear imminent in Canada, will doubtless provide the needed opportunities.

Juniors Always Wanted

Although at various periods the supply of managers and accountants, and even sometimes of tellers and ledger-keepers, is ample, it seems to be the case that desirable juniors are always wanted. Perhaps this is due to the relatively high standard demanded and the number of applications turned down, for, as mentioned, the banks are not taking on "hands" or seeking stop-gaps. Whereas not so long ago the junior was started at a salary of $200 a year, this figure has been raised and raised until to-day some banks pay the school graduate $800. While his subsequent advancement may not be rated as rapid, it is fairly sure and, except in very unusual circumstances, a salary once attained will not be reduced. And the most important feature is that of continuous guaranteed employment. While the banks not infrequently advise a man to seek more suitable employment elsewhere, and even warn him that further advancement in the bank will be unlikely, it is indeed seldom that, barring actual dishonesty, he will ever be discharged.

But of the qualifications for original employment, undoubtedly the most important is that We Want Them Young.

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BRITISH COLUMBIA ELECTRIC RAILWAY

Mr. Kidd on the Development of the Company's Activities

PROGRESS OF EACH SERVICE

Increased Capital Authorised

The thirty-first ordinary general meeting of the members of the British Columbia Electric Railway Co., Ltd., was held on Dec. 2nd at the Abercorn Rooms, Great Eastern Hotel, Liverpool Street Station, London, E.C., England, Mr. J. Davidson (deputy-chairman) presiding.

The Secretary (Mr. R. W. Bartlett, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman, who was received with applause, said: Ladies and gentlemen, it is a great pleasure to the directors to meet you this year again with a statement which shows satisfactory progress in every branch of your company's business. The year under review completes the thirtieth year of your enterprise, which, from small beginnings, has grown year by year until in its thirtieth year it has reached the present impressive proportions. I would like to take this opportunity of paying a well-merited tribute to the wise and able leadership of our chairman, Mr. R. M. Horne-Payne, who has been chairman of this company since its inception thirty years ago. (Hear, hear.) I know of no other public utility company in Canada or anywhere which can produce such a record as this, or can point, as Mr. Horne-Payne, can, to a record of progress broken only by war years, when some one-third of the population of the territories served seemed to melt away. The war troubles, however, have been completely overcome, and the company's fortunes restored, and now stand on a foundation firmer, I believe, than ever before.

Although prevented by physical disabilities from presiding to-day, Mr. Horne-Payne is as interested as ever, and works harder, if possible, than ever before to secure the continuance of the prosperity which has been achieved. I am glad to say that we have with us to-day the President of your company, Mr. George Kidd. (Hear, hear.) Mr. Kidd was appointed general manager of the company in 1914 in the midst of all the troubles and grievous problems created by the war. I hope that in a few minutes he will address you on Canadian local conditions, but it is a pleasure for me to be able to place on record the views of the directors, which are that no one could have piloted the company more skilfully into safety and well-being than Mr. Kidd has done, and few, if any, could have succeeded so well.

Turning now to the report and accounts which are in your hands, I would remind you that in an enterprise of this size, comprising, as it does, numerous allied companies, there is a vast amount of detail which it is impossible to give in public accounts. The report, however, contains particulars of the progress of each service and the revenue derived therefrom. Then there is the balance sheet of the British Columbia Electric Railway Co., the parent company, in the form required by the Companies Acts, and as this is insufficient in itself to convey a comprehensive view of the enterprise, having regard to the subsidiaries to which I have referred, we have included a consolidated statement which takes in all the allied and subsidiary companies, including a statement of the revenue earned from all sources. I will, therefore, not burden you with further figures.

Capital Requirements

There is, however, one matter to which I wish to refer. It is the provisional allotment of new deferred ordinary shares, notice of which was posted to the stockholders on 23rd November last along with the annual report and accounts. It will be apparent from the report that fresh capital must be found to meet the increasing demand for the company's services. It is our duty to the communities we serve to provide well ahead of capital requirements for the increase in demand which must necessarily continue, whether it be additional 'buses or tramways for transportation purposes, increased development and plant for the supply of electricity for lighting and commercial purposes or the increasing demand for gas. No excuses will satisfy a modern community which is not fully provided, and without waiting, with this services.

The board are satisfied that the proper method of providing additional capital on this occasion is by the issue of deferred ordinary shares. The provisional allotment made offers the existing preferred and deferred ordinary stockholders an amount of new deferred ordinary shares equal practically to 30 per cent. of their present holdings at the price of par.

I apologize for having detained you so long when Mr. Kidd, who is fresh from the scene of operations, is present. I have now pleasure in calling upon Mr. Kidd to address you.

Mr. Kidd's Address

Mr. Kidd: It is a very great pleasure to me to have the privilege of meeting at least a few of the shareholders. I would like to see them all here, but our shares are so widely held that I suppose such a gathering would be impossible. There is so much that I could tell you about the enterprise that it is difficult to know where to begin and where to end, but you may guess the extent of the properties when I remind you that they are scattered over some 1,500 square miles. To visit and inspect every branch of your enterprise would occupy several weeks.

As you will see from the statement in your hands, the revenues are derived as to about one-half from the transportation system, and as to one-half from light, power and gas. At one time, prior to the war, there is no doubt that an electric tramway system was considered one of the essentials of a community, and the capital invested therein was regarded as safe and such as could be relied upon for a steady and regular dividend. But all things change, and there is no doubt that the motor car or 'bus as a means of transportation has undermined the former strong position of the street car and has created difficulties of operation which were not and could not, have been foreseen. Some years ago there was a feeling that the street car as a means of public transportation was doomed to be supplanted by the motor 'bus. Some colour was lent to this belief by statistics. For example, for the five years to 1926, the number of passengers using street railway systems throughout Canada showed a decrease. During the last two years, however, there has been a distinct increase in the use of street cars in the larger cities throughout the country, but in the smaller towns, due mainly to the increasing use of motor cars, the number of passengers using street cars continues to decline.

Street Car System

I think we may now safely conclude that in the larger and more congested cities, the street car must be regarded as indispensable as being the only means of dealing with large numbers of travellers whose requirements could not be met by motor cars or 'buses without creating insoluble traffic problems. It also now appears clear that the 'bus is finding its natural sphere as a terminal feeder for outlying lines. It is also developing into an inter-city method of transportation, supplanting to some extent the inter-urban railway.

You may take it, therefore, that our present street car system, supplemented as it is by 'buses, has a very permanent place in the life of the community.

I can say without any hesitation that our plant has been well maintained, and compares favourably with that of any other company or authority. The necessary renewals and renovations which are continually proceeding are carried out with due regard to economy, but in such a way as to maintain a high standard of operating efficiency, and, in addition, changes have been made which have strengthened the weaker links in our scheme of operations, increasing our reliability, and making it possible to give better service. Only a lengthy report could cover this matter in detail, but a few examples will suffice.

Transmission Line System

The transmission line system from Lake Buntzen and Stave Lake—two of your water powers—to Vancouver has been remodelled and reconstructed, and the work done has reduced the possibility of breakdowns to a mere fraction of what it originally was. Improvements have also been made in switch gear and safety devices at both the generating and receiving ends in certain sub-stations to keep pace with the improvement in transmission lines.

The Second Narrows wooden crossing over the north arm, which also provides for the transmission of the power to be developed at Bridge River, is being replaced by steel towers, and this work is well on to completion, and the obsolete arc lamps in the city lighting system have been replaced by incandescent lighting of a modern type and a section of our main distribution system is now underground instead of overhead. Altogether, 26½ miles of underground duct have been laid during the past year. Having regard to the growth of the population this is very essential work in the more congested business areas of the city of Vancouver.

Railway Department

In the railway department much of the old temporary track within the City of Vancouver and Point Grey has been replaced by permanent double-tracking.

An automatic interlocking plant has been installed at Ardley, on the Burnaby Lake branch, in substitution for the manually operated plant, at a cost of some $15,000. This automatic plant will cut down operating costs by approximately $5,000 a year.

The rolling stock has been well maintained and substantial progress has been made in the repainting of all cars to a carmine colour, which is the standard of our new equipment. Simultaneously, a complete overhaul of the wood work of the cars is being carried out.

The old car shops at Prior-street, Vancouver, have been abandoned for shop purposes, and the yards converted for storage purposes, thus increasing our car barn capacity by 44 cars. At Kitsilano, approximately three miles from Vancouver, on a site hitherto only partially used, we have constructed at a comparatively small cost modern car repair and painting shops equipped with modern conveniences which should be sufficient for our purposes for perhaps the next ten years.

Some of the old wooden buildings, including the old line stores at Carrall Street, Vancouver, have been replaced by fireproof concrete buildings of a permanent character.

Gas Department

Improvements have also been made in connection with the gas department. Sixty-seven miles of new mains and 41 miles of lateral service pipes have been installed in new territory served by this department, and included in this are 12 miles of high-pressure mains connecting our Grandview Gas Holder Station with Burnaby and New Westminster, thus making it possible to shut down the old Westminster gas plant We are thus now provided with a flexible means of extending the area of economic supply greatly beyond anything previously possible.

The old gas plant is becoming less and less a factor in our gas producing system, and continually a greater proportion of gas is being manufactured by the more recent plant installed with a consequent saving in operating costs.

Selling campaigns are continuously carried on by the light and power merchandising department for the sale of electric appliances. An illustration of their efforts in this direction is the steady demand for electric ranges, of which there are now installed on the system 3,579. This is an increase of 128 per cent. since 1924. The sale of electric ranges is still capable of considerable expansion. Our efforts towards increasing the kilowatt hour consumption by domestic consumers, through the sales of current consuming appliances, meets with the most encouraging results.

Improved Conditions in British Columbia and Canada

Conditions throughout the province of British Columbia and Canada generally show remarkable prosperity.

In 1919 the tonnage of deep sea vessels entering the port of Vancouver was only 195,789 tons; in 1926 it was 3,698,066 tons.

Lumber and logs exported from British Columbia during the past three years were approximately:

In 1924	432,000,000	feet board measure
In 1925	381,000,000	" " "
In 1926	516,000,000	" " "

The building permits in Greater Vancouver amounted to $24,033,000 in 1926, as compared with $15,379,000 the previous year.

The activity of the mining industry in British Columbia is reflected in the value of ore handled by the Consolidated Mining and Smelting Co., which showed a marked increase over the previous year. There are now 107 properties shipping ore to this smelter from British Columbia. It is of interest to note that this company is producing 10 per cent. of the world's supply of lead and zinc. Metal mines are very active throughout the province. British Columbia's silver production is now in excess of the production in Ontario where the famous Cobalt Silver Camp is located.

The present outlook for the grain crop is promising The Canadian Government report just issued estimates the yield of the three Prairie Provinces at 435,233,000 bushels, as against 387,369,000 bushels last year. All Canada is estimated at 458,741,000 bushels, as compared with 409,811,000 bushels the previous year.

The fishing industry in British Columbia continues to show marked development. The value of the fishery products of the province represents approximately one-half of the total production of Canada. The value of the fishery products in British Columbia in 1926 totalled $27,367,109, and the amount of capital invested in the industry was over $31,000,000.

Confidence in the Future

I have the very greatest faith in the future of the Province of British Columbia and in the fortunes of your enterprise, which are, of course, bound up with those of the province.

I do not say that we shall not have to face difficulties and trials and possibly from time to time, temporary setbacks. We will undoubtedly have our lean years as well as our fat years. As we have explained on previous occasions, it is the policy of the board to keep every branch of the service in a position to meet all the requirements of the communities we serve, so that no user of these services may have cause to complain that his business is being retarded through any failure on the part of your company to meet all his requirements. At the present time the demand upon us for electricity is increasing so rapidly that we are forced to look ahead and provide additional sources of supply. This we are doing through the development of the Bridge River power, some 135 miles from Vancouver. The first development will take at least three years and will probably cost some $11,000,000, but I have no fear that your revenues will not keep pace with all your expansion, and I have never felt so comfortable or looked forward with greater confidence to the future of your enterprise than I do to-day. (Applause.)

The Chairman: Ladies and gentlemen, I am sure we have all listened with very great pleasure and satisfaction to the statement which Mr. Kidd has just made. There are some people who think it a very simple matter to run a tramway—that it runs itself—but you can see that it is not only a question of conducting the company as it exists now, but of looking forward to the future and making provision for a further expansion in the company's business, which is a matter requiring the most absorbing care. Mr. Kidd has been equally successful in that direction as he has been in looking after the operations of the company.

I now beg to move: "That the balance-sheet as at 30th June, 1927, together with the reports of the directors and auditors thereon, be and are, hereby received and adopted."

Mr. T. Blundell Brown seconded the resolution.

Sir William Fry, Mr. T. C. Bradshaw, and other stockholders having addressed the meeting; the resolution was put and carried unanimously.

The Chairman next proposed: "That the payments of the following dividends be and are hereby approved: Dividend on the cumulative perpetual preference stock at the rate of 5 per cent. per annum (less income-tax) for the half-year ended 31st December, 1926, on the 15th January, 1927, and for the half-year ended 30th, June, 1927, on the 15th July, 1927. Interim dividends on the preferred ordinary and deferred ordinary stocks for the year ended 30th June, 1927, at 4⅜ per cent., free of income-tax on the 10th June, 1927. Also that final dividends be now declared in respect of the year ended 30th June, 1927, as follows: On the preferred ordinary stock at the rate of £1 16s. 6d. per cent. per annum, free of income-tax. On the deferred ordinary stock at the rate of £3 12s. 6d. per cent. per annum, free of income tax."

Mr. G. P. Norton seconded the resolution, which was unanimously adopted.

The retiring directors (Mr. T. Blundell Brown and Mr. Harold G. Brown) were re-elected, and Messrs. Price, Waterhouse & Co. were reappointed auditors.

Mr. Harold G. Brown proposed a hearty vote of thanks to the President and staff in British Columbia, which was seconded by Mr. Norton, and passed unanimously.

Following the conclusion of the ordinary business of the meeting a resolution was proposed and unanimously passed, increasing the capital of the company by the creation of 1,000,000 new shares of £1 each. A further resolution was proposed, as set out in the notice convening the meeting, amending the articles of association with reference to the directors' remuneration, and this also was unanimously agreed to.

A cordial vote of thanks to the chairman and directors having been passed, the proceedings terminated.

Halcyon Days in Store for Western Dominion as Prosperity Arrives

This Part of Canada Has Turned Corner; Not Only in Agricultural Pursuits But Industrial Developments Have Advanced to Corresponding Degree

At the end of each of the years 1925 and 1926 it became a commonplace expression for those in touch with industrial and agricultural conditions in Western Canada to say that prosperity was just around the corner. Looking back over the year 1927 it is plain that Western Canada has now turned the corner and prosperity has arrived. Fortunately for the West this prosperity is not confined to agriculture. The industrial development that has gone on, particularly in Winnipeg and to a corresponding degree in other Western cities during the past year, has been the culmination of a long period of constructive effort in this direction. The development of our mineral areas has been the outstanding feature of this gradual transformation of Western Canada from a purely agricultural country to that of a more properly balanced territory, a development which means much more to Canada as a whole than the mere development itself.

The opening up of the mineral areas of Manitoba commenced early in 1927 and has been given impetus as the months passed by the recent decision of the Whitney interests to develop the Flin Flon mine in Northern Manitoba is the latest and most important of the activities which have taken place. This development involves an immediate expenditure of $20,000,000 and an ultimate expenditure of $50,000,000. Its effect will be of great importance to the large and extensive mining areas to be found throughout Northern Manitoba. Each of the several properties in this district have to-day ore values indicated by diamond drilling equal to three times the total of the developed ore in the Rouyn area in 1927. The construction of the railroad into this district, the contract for which has already been let, will open up the area and it is confidently predicted by conservative business men that during 1928 the developments both in Northern and Central Manitoba mining areas will be far beyond the imagination of many of our citizens. In the Central Manitoba field a 150 ton mill has commenced operation on the Central Manitoba property. Development is taking place on other properties and large sums of money are being invested in these undertakings. Practically all of the funds have been secured from Eastern Canada, United States and British sources. The fact that these outside interests are ready to invest their money in this development speaks for itself. During 1927 600 men with a monthly payroll of over $300,000 have been employed in the mining areas, and the benefits received by the business community of Winnipeg have been many and varied.

Rapid Development

The total ore reserve on the Sherritt-Gordon, the Flin Flon and Mandy mines exceed $400,000,000. The construction of the 80 mile railway into this area and the erection of the proposed smelter by the Whitney interests will ensure rapid development of all these properties in Northern Manitoba. Over $2,000,000 was spent in development work in the Central Manitoba and Northern Manitoba mineral areas in 1927 and this sum is a mere fraction of what will be spent in the near future.

The development of manufacturing in Manitoba during 1927 has been steady and continuous. The work of the Industrial Development Board of Manitoba, which is financed by appropriations made by the Manitoba Government, Winnipeg City Council and Winnipeg Board of Trade, has produced good results. Approximately 22 new industries have commenced operation and 21 existing industries have been enlarged in this province since January 1st, the majority of the new industries have been domiciled in Greater Winnipeg. The outstanding development has been the installation of a second unit by the Manitoba Paper Company, bringing the capacity of the plant up to 250 tons per day. As an indication of the attention being given to industrial development it may be mentioned that $80,000,000 has been invested in Manitoba during the past 5 years, the majority of the money being invested in industrial projects.

Industrial development has carried in its wake increased power development. This year the municipally owned power plant of the City of Winnipeg has operated at full capacity of 100,000 h.p.. The Winnipeg Electric Company's plant's output of 30,000 h.p. is all being used and the Manitoba Power Company has put an additional unit of 31,500 h.p. into operation this year, bringing the total capacity of the plant up to 115,000 h.p. and the company is planning now to instal two further units of 40,000 h.p. each.

Output of Manitoba

The industrial output of Manitoba, the greater portion of which is credited to Greater Winnipeg, will this year amount to $170,000,000, an increase of $46,000,000 over 1925.

The accumulated effect of the good crop in 1926 and the good financial returns assured by the 1927 crop has put business on a much better basis this year. The development of tourist traffic which brought $2,000,000 to Manitoba this year and the steady increase in the sale of raw furs producing a turnover of $5,000,000 in 1927, have meant much to the business concerns of Winnipeg. Tourist traffic and convention business have increased considerably and the conventions booked for Winnipeg in 1928 are already greater in number and size than for any previous year. Better times in Winnipeg are reflected by the ability of the City to borrow at the low rate of 4.53 per cent.

The Manitoba Government has also improved its position, having reported a surplus in 1927 of $700,000, the second largest surplus in the history of the province.

The progress being made along commercial lines is having its effect in all directions. The Canadian Pacific Railway has under construction in Western Canada 279 miles of branch lines and the Canadian National Railways have appropriated $18,000,000 for similar work in the West during the next three years.

Building permits in Greater Winnipeg will exceed $10,000,000 and the total expenditure of building and construction work of various kinds in Manitoba will total $22,000,000 this year.

The progress of agriculture in Western Canada is so well known that it is not necessary to deal with it in detail. 1927 gave Western Canada its second largest crop with estimated wheat production of 432,000,000 bushels, but the west is not relying on agriculture entirely. Manitoba this year produced $14,000,000 in dairy productions, and the value of live stock, poultry, dairy produce and honey in this province will total $36,000,000. Taking the three Prairie Provinces as a whole the poultry and egg production has almost doubled in the last ten years, and 40 per cent. of Canada's total production now comes from these provinces. The production of creamery butter in Manitoba has doubled since 1920.

Immigration is Larger

Immigration to Western Canada this year has been larger than in any year since 1913. It is expected that the final figures will reach 130,000. There has been a marked increase in United States immigrants. This type of settler is very welcome in the West, owing to his intimate knowledge of farming conditions and his ability to commence farming in a practical way. This year has seen the conclusion of the settlement of 3,000 British families sent to Canada under the British Government settlement plan. The majority of these have settled in the Prairie Provinces. During the past three years these settlers have represented an investment of approximately $6,000,000, not including the value of the land they have settled on.

Winnipeg maintains its position as the third largest city in Canada and gives indication of decreasing the margin now existing between it and the leading cities of the Dominion. A few facts showing the growth of Winnipeg during recent years will justify this statement. In 1910 Greater Winnipeg had a population of 200,000, to-day there are approximately 280,000 in the district. In 1915 there were 27,500 children attending the public schools of Winnipeg, to-day there are over 39,000. Customs receipts in Winnipeg have increased from $10,000,000 in 1921 to $14,000,000 last year. Bank clearings have increased from $2,000,000,000 in 1916 to $2,700,000,000 last year. The street railway carried over 2,000,000 more passengers in the first eight months of 1927 than it did in the same period of 1926. Post office revenue has increased from $2,400,000 in 1917 to $3,500,000 last year. A few years ago automobiles operating in Winnipeg were counted in hundreds, to-day there are 18,000 in Winnipeg and 60,000 in Manitoba.

Winnipeg and the West have strengthened their foundations during 1927. Industry has taken root. Development of the mining areas has commenced and the people of the West are rapidly demanding that, so far as conditions will permit, Western Canada shall be in a position not only to grow food stuffs for the world at large, but also to manufacture its own requirements within its own factories. This industrial development has been made possible by the deep faith which has been given practical expression by the people of Eastern Canada in the investment of funds in branch factories and new industries in the West. This balancing up of the economic and commercial structure in Western Canada is something which should be greeted by all Canadians as of Dominion wide importance.

Grain is moving in volume over the lines of the Canadian Pacific Railway to Saint John, N. B., and export has commenced.

Dividends Declared

	Rate	Date	Record
Can. Oil, pfd.	2%	Jan. 1	Dec. 20
Page Hersey, com.	75c.	Jan. 2	Dec. 20
Do., pref.	1¾%	Jan. 2	Dec. 20
Wabasso	$1+50c.	Jan. 3	Dec. 15
Christie Brown, com.	30c.	Feb. 1	Jan. 15
Do., pref.	1¾%	Feb. 1	Jan. 20
Wpg. Electric, com.	$1	Jan. 16	Nov. 30
C. P. Rly, com.	2½%	Dec. 31	Dec. 1
Nor. Mex. Pr., com.	1%	Jan. 3	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
Can. Permanent	3%	Jan. 3	Dec. 15
Twin City, c.	$1.00	Jan. 2	Dec. 12
Do., pref.	$1.75	Jan. 2	Dec. 12
Bk, of Nova Scotia	4%	Jan. 3	Dec. 16
Can. Landed	2½+1%	Jan. 3	Dec. 15
Can. Car, pfd.	1¾%	Jan. 10	Dec. 27
Dom. Bank	3+1%	Jan. 3	Dec. 20
Manitoba Power	$2	Jan. 16	Dec. 15
Wpg. Electric, pfd.	1¾%	Jan. 1	Dec. 6
Bell Telephone	2%	Jan. 14	Dec. 23
McKinnon Ind., pfd.	1¾%	Jan. 1	Dec. 15
Can. S. S. Lines, pfd.	1½%	Jan. 3	Dec. 15
Landed Bkg.	2½%	Jan. 3	Dec. 15
Can. Nor. Power, pfd	1¾%	Jan. 16	Dec. 31
So. Can. Power, pfd.	1½%	Jan. 16	Dec. 24
Dom. Glass, com.	1¾%	Jan. 2	Dec. 15
Do., pfd.	1¾%	Jan. 2	Dec. 16
Midland Loan & Sav.	4+2%	Jan. 3	—
Belgo.-Can. Paper, c.	1¼%	Jan. 12	Dec. 31
Do., pref.	1¾%	Jan. 3	Dec. 2
Huron & Erie	1¾%	Jan. 3	Dec. 15
Canada Trust	5%	Jan. 3	Dec. 15
Traymore, pref.	1¾%	Jan. 1	Dec. 15
Steel of Can., com.	1¾%	Feb. 1	Jan. 7
Do., pfd.	1¾%	Feb. 1	Jan. 7
Brazilian, pfd.	1½%	Jan. 2	Dec. 15
Teck Hughes	10+5	Feb. 1	
Hunts, pfd.	1¾%	Jan. 1	Dec. 15
Canada Bread "A"	1¾%	Jan. 1	Dec. 15
Do., "B"	1¾%	Jan. 1	Dec. 15
Dom. Stores	60c.	Jan. 2	Dec. 15
Tor. Gen. Trusts	3%	Jan. 1	Dec. 15
Duluth Sup., pfd.	$1	Jan. 2	Dec. 12
Tor. Mortgage	2½+1	Jan. 1	Dec. 15
Chas. Gurd, com.	50c.	Jan. 2	Dec. 15
Do., pref.	1¾%	Jan. 2	Dec. 15
Brant. Cordage, pfd.	2%	Jan. 15	Dec. 20
Mackay, com.	1¾%	Jan. 3	Dec. 3
Do., pfd.	1%	Jan. 3	Dec. 3
St. Maur. Val., pfd.	1¾%	Jan. 3	Dec. 16
H. Smith Paper, pfd.	2%	Jan. 10	Dec. 31
Asbestos, pref.	1¾%	Jan. 16	Dec. 31
Amer. Salesbook, c.	$1	Jan. 3	Dec. 15
Consumers Gas	2½%	Jan. 3	Dec. 15
Goodyear, com.	$1.25	Jan. 2	Dec. 15
Do., pref.	1¾%	Jan. 2	Dec. 15
Gould Pump, c.	2%	Jan. 2	Dec. 20
Do., pref.	1¾%	Jan. 2	Dec. 20
Gilman Fan, c.	1½%	Jan. 3	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
Ott. Traction	1+1%	Jan. 3	Dec. 15
Ott. L., H. & Pr., c.	1½%	Dec. 31	Dec. 15
Do., pref.	1¾%	Jan. 1	Dec. 31
Mining Corp.	12½c.	Jan. 25	Jan. 10
Laurentide	1½%	Jan. 3	Dec. 15
Laurentide Pr.	1¼%	Jan. 16	Dec. 31
Hollinger	2%	Dec. 31	Dec. 14
Jamaica P. S., pref.	$1.75	Jan. 3	Dec. 20
St. Maur. Pr.	1%	Jan. 16	Dec. 31
Shawinigan	50c.	Jan. 10	Dec. 23
Inter. Nickel, c.	50c.	Dec. 31	Dec. 15
Price Bros., c.	½%	Jan. 3	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
Can. Gen. Elec., pfd.	1¾%	Jan. 2	Dec. 15
Dom. Rubber, pref.	1¾%	Dec. 31	Dec. 16
Dom. Textile, c.	$1.25	Jan. 3	Dec. 15
Do., pfd.	1¾%	Jan. 16	Dec. 31
Inter. Paper, pref.	1½%	Jan. 16	Dec. 29
Do., pref.	1¾%	Jan. 16	Dec. 29
Sher. Williams, c.	1½%	Dec. 31	Dec. 15
Do., pref.	1¾%	Dec. 31	Dec. 15
Nat. Breweries, c.	$1	Jan. 2	Dec. 15
Do., pref.	1¾%	Jan. 2	Dec. 15
Carling Brew.	50c.	Jan. 2	Dec. 10
Brit. Mtge. & Trust	6+2%	Jan. 3	Dec. 27
W. A. Rogers, pref.	1¾%	Jan. 3	Dec. 15
F. N. Burt, c.	75c.	Jan. 3	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
Ontario Loan	3%	Jan. 3	Dec. 15
National Trust	3+1%	Jan. 1	Dec. 20
Hayes Wheel., pfd.	1¾%	Jan. 1	Dec. 20
B. Amer. Oil	20+20c.	Jan. 3	Dec. 14
Conduits, pref.	1¾%	Jan. 1	Dec. 17
Can. Loco., pref.	1¾%	Jan. 1	Dec. 20
Pacific Burt, c.	1½%	Jan. 3	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
Real Estate Loan	3½%	Jan. 2	Dec. 17
Dom. Power, pref.	1¾%	Jan. 16	Dec. 21
North Star Oil, pref.	1¾%	Jan. 3	Dec. 15
Cen. Canada Loan	3+6%	Jan 3.	Dec. 15
Nipissing	1½%	Jan. 20	Dec. 31
Premier Mines	8c.	Jan. 4	Dec. 15
Abitibi, pref.	1¾%	Jan. 3	Dec. 20
City Dairy, c.	75c.+$1	Jan. 3	Dec. 14
Shredded Wheat	75c.	Dec. 31	Dec. 21
East. Theatres, pfd.	3½%	Jan. 31	Dec. 31
Alta. Pac. Grain, pfd.	1¾%	Jan. 1	Dec 15
Dom. Engineering	50c.	Jan. 14	Dec. 31
Dome Mines	25c.	Jan. 20	Dec. 31
City Dairy, pref.	1¾%	Jan. 3	Dec. 14
Can. Salt	2%	Jan. 1	Dec. 24
Cons. Smelters	5+$5	Jan. 16	Dec. 31
Porto Rico Rly, c.	$1	Dec. 31	Dec. 15
Do., pref.	1¾%	Jan. 3	Dec. 15
East. Steel Prod., prior pfd.	1¾%	Jan. 2	Dec. 15
Inter. Power, 1st pfd.	1¾%	Jan. 3	Dec. 15
Brompton, c.	50c.	Jan. 16	Dec. 31
Trinidad Elec.	1¼%	Jan. 10	—
Intercolonial Coal	2+1%	Jan. 3	Dec. 20
Do., pref.	4%	Jan. 3	Dec. 20
Hillcrest Coll., c.	1½%	Jan. 1	Dec. 31
Do., pref.	1¾%	Jan. 1	Dec. 31
Dom. Rubber, pfd.	1¾%	Dec. 31	Dec. 16
Mtl. C. & Dis. Bk.	$2.80	Jan. 3	Dec. 15
Petroleum Royal.	1½+½%	Jan. 1	Dec. 25
Calgary Power, c.	1¼%	Dec. 31	Dec. 23
Mutual Finance, c.	5%	Jan. 15	Dec. 20
Do., pref.	4%	Jan. 15	Dec. 20
Can. Guar. Trust	3%	Jan. 16	Dec. 15
Barcelona Tr., pref.	1¾%	Dec. 31	Dec. 21
Dunlop Tire, pref.	1¾%	Jan. 1	—
Monarch Mtge., com.	5c.	Jan. 15	Dec. 31
Do., pref.	4%	Jan. 15	Dec. 31
Sterling Trust	3½%	Jan. 1	—
Russell Motor, com.	4%	Feb. 1	Dec. 31
Do., pref.	1¾%	Feb. 1	Dec. 31
Montreal, L. H.	50c.	Jan. 31	Dec. 31
Loew's Marcus, pfd.	3¼%	Jan. 14	Dec. 30
Loew's London, pfd.	3½	Jan. 14	Dec. 30
Do., com.	3%	Jan. 14	Dec. 30
Service Station "A"	40c.	Jan. 3	Dec. 22
Nat. Grocers, 1st. pref.	2%	Jan. 2	Dec. 19
Fraser Cos., pref.	1¾%	Jan. 2	Dec. 24
Span. River, com.	1¾%	Jan. 16	Dec. 31
Do., pref.	1¾%	Jan. 16	Dec. 31
Inter. Utilities "A"	87½c.	Jan. 15	Dec. 29
So. Canada Power, c.	$1	Feb. 15	Jan. 31
East. Can. Savings	2%	Jan. 2	Dec. 20
Mt. Royal Hotel, pfd.	1½%	Jan. 2	Dec. 17
Greening Wire, pfd.	1¾%	Jan. 1	Dec. 15
Power Corp., pfd.	1¼%	Jan. 16	Dec. 31
Prov. Paper, pref.	1¾%	Jan. 2	Dec. 15
Nor. Ont. Light, pref.	3%	Jan. 25	Dec. 31
Can. Cottons, c.	2%	Jan. 4	Dec. 23
Do., pref.	1½%	Jan. 4	Dec. 23
West Koot. Pr., pref.	1¾%	Jan. 3	Dec. 27

Announcing

THE GENERAL MERCHANT OF CANADA

A NATIONAL publication with a guaranteed circulation of 14,000 copies covering the general store merchants of Canada from Coast to Coast.

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Bertram Brooker Joins A. McKim Ad. Agency

Bertram R. Brooker has sold "Marketing" to W. A. Lydiatt, and has become associated with A. McKim, Limited, general advertising agents.

In the course of the past few years, Mr. Brooker, as editor and publisher of the magazine, has developed it into an effective and recognized force in Canadian advertising and merchandising circles. In addition to his work on "Marketing," Mr. Brooker has been a regular contributor under more than one nom-de-plume, to Printer's Ink, Advertising and Selling, and other well-known United States business publications.

Wayagamack Pulp & Paper Company, Limited

Head Office and Works: THREE RIVERS, P.Q.

DIRECTORS:

C. R. WHITEHEAD, President and General Manager
JAMES W. PYKE, Vice-President
HUGH MACKAY, K.C.
G. H. DUGGAN
ALEX. MACLAREN
NORMAN J. DAWES
J. FRATER TAYLOR

FIFTEENTH ANNUAL REPORT

Three Rivers, P.Q., December 15th, 1927.

Your Directors submit the Fifteenth Annual Report of the Company, together with Balance Sheet as at November 30th, 1927, and Profit and Loss Account for the year ended that date.

The earnings for the twelve months, after making provision for Income Tax, but before providing for Interest on Bonds, Depreciation of Buildings and Plant, and Depletion of Limits, amounted to $1,420,462.61.

Construction of a dock and wood-handling plant for the unloading of pulpwood from the Island of Anticosti is now in progress. This dock, when completed, will also provide facilities for the more economical handling of cargoes of chemicals, and export shipments of pulp and paper. The expenditure for this work to date has been added to Capital Assets.

Your Directors desire to record their appreciation of the faithful and efficient service rendered by the officers, staff and employees of all departments throughout the year.

The Accounts have been audited by Messrs. Riddell, Stead, Graham & Hutchison, and their Report is appended hereto.

Submitted on behalf of the Directors.

C. R. WHITEHEAD,
President.

BALANCE SHEET AS AT 30TH NOVEMBER, 1927

ASSETS				
CURRENT ASSETS:				
Cash on Hand, in Bank, and Call Loans			$ 869,450.19	
Accounts and Bills Receivable: Less: Reserve for Bad and Doubtful Debts ..			1,176,408.92	
INVENTORIES:				
Pulpwood and Logs		$1,211,911.85		
Stores, Chemicals and Fuel		640,125.98		
Pulp and Paper		74,402.79		
Logging Expenses, Season 1927-28, including supplies at Depots ...		239,093.81	2,165,534.43	$4,211,393.54
Investments, including 20,000 Shares of Common Stock of The Anticosti Corporation, carried at $1.00				72,753.88
Loans to Wayagamack News Limited, Secured by $1,500,000 6½ per cent. 15-Year Second or General Mortgage Bonds, due 1940			$1,350,000.00	
Additional Loans			331,447.50	
				1,681,447.50
FIXED ASSETS:				
Buildings, Plant, Machinery, etc., as at 30th November, 1926			$6,020,746.87	
Expenditure during year			370,013.97	
				6,390,760.84
Property, Limits, Real Estate, etc., as at 30th November, 1926			$5,606,763.10	
Deduct for Depletion of Limits			135,320.00	
				5,471,443.10
				$17,827,798.86
LIABILITIES				
CURRENT LIABILITIES:				
Accounts Payable, Accrued Charges and Provision for Income Tax			$ 867,530.76	
Accrued Interest on Bonds			123,753.00	
Dividend No. 11, payable December 1, 1927			75,000.00	
				$1,066,283.76
Bonds, 6 per cent. 40-Year First Mortgage, Due 1951:				
Authorized and Issued			$5,000,000.00	
Less: Bonds Redeemed and Bonds Cancelled for Sinking Fund			843,600.00	
				4,156,400.00
Bonds, 6½ per cent., 5-Year General Mortgage and Collateral Trust Gold Bonds, due 1930:				
Authorized and Issued				1,500,000.00
CAPITAL:				
Authorized: 250,000 Shares without nominal or par value. Issued and Fully Paid: 100.000 Shares				5,000,000.00
Reserve for Depreciation and Sinking Fund				2,614,525.97
General Reserve				500,000.00
PROFIT AND LOSS ACCOUNT:				
Balance as at 30th November, 1926			$2,637,946.52	
Add: Profit from operations after providing for Income Tax		$1,420,462.61		
Deduct: Bond Interest ..	$397,500.00			
Depreciation	160,000.00			
Depletion of Limits	135,320.00			
		692,820.00		
			727,642.61	
			$3,365,589.13	
Deduct: Dividends No. 7 to No. 11			375,000.00	
				2,990,589.13
				$17,827,798.86

NOTE—Wayagamack Pulp and Paper Company, Limited, have guaranteed the £425,000 5% Guaranteed Debenture Stock, due 1940, of Wayagamack News, Limited, and have undertaken to lease and operate the plant of Wayagamack News, Limited, for a period of fifteen years, from January, 1926.

Contingent Liabilities, $150,000.00.
Montreal, 8th December, 1927.

Signed on behalf of the Board:
JAS. W. PYKE,
HUGH MACKAY,
Directors.

Verified as per our Report of this date
RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A.,
Auditors.